A G E N D A

GRANT COUNTY PUBLIC UTILITY DISTRICT
Via Conference Call
+1 509-703-5291 Conference ID: 287 686 505#
COMMISSION MEETING
Tuesday, March 23, 2021

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

9:00 a.m. Commission Convenes
Review and Sign Vouchers

9:30 a.m. Reports from staff

12:00 Noon Virtual Lunch with County Commissioners

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 March 9, 2021

2. **Regular Agenda**

   Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 5 to Contract 430-07424C with Cornforth Consultants, Inc., increasing the not-to-exceed contract amount by $1,800,000.00 for a new contract total of $4,100,000.00 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. 5. (3358)

3. **Review Items For Next Business Meeting**

   XXXX – Resolution Amending the Governance Policy and Superseding Prior Resolutions Relating to Governance of Grant PUD.

   XXXX – Resolution Accepting a Bid and Awarding Contract 170-10711, for Supplying Distribution Transformers.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10804 with Star Protection Agency, in an amount not-to-exceed $4,000,000.00 and with a contract completion date of July 2, 2024. (xxxx)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to sign the Purchase and Sale Agreement with the City of Ephrata, to acquire 1.6 acres of property adjacent to Grant PUD parcel #13-0435-028 to allow for expansion for additional capacity in the South Ephrata Substation, in the amount of $10,500.00. (xxxx)

4. **Calendar**

5. **Reports from Staff (if applicable)**

Adjournment

CONSENT AGENDA

Draft – Subject to Commission Review

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

March 9, 2021

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 9:00 a.m. via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 287 686 505# with the following Commissioners present: Larry Schaapman, President; Judy Wilson, Vice-President; Nelson Cox, Secretary; Dale Walker, Commissioner; and Tom Flint, Commissioner.

The Commission convened to review vouchers and correspondence.

A meet and greet was held with Big Bend Community College President, Dr. Sara Tweedy.

A round table discussion was held regarding the following topics: recognition of COVID response efforts; Enterprise Risk Program roll-out; request for detailed summary of District-wide software systems; and request for overview of tree trimming policy.

John Mertlich, Senior Manager of FP&A, and Lisa Stites, Senior Financial Analyst, presented the Strategic Plan Dashboard review.

Brett Lenz, Cultural Resources Manager, presented the Cultural Resources Program Report.

Tom Dresser, Fish & Wildlife Manager, presented the Fish & Wildlife Report.

Trade association and committee reports were reviewed.

The Commission recessed at 11:37 a.m.

The Commission resumed at 1:00 p.m.

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

Payment Number	109249	through	109530	$11,151,152.32
Payroll Direct Deposit	173432	through	174136	$1,958,315.13
Payroll Tax and Garnishments	20210225A	through	20210301A	$850,464.03

Meeting minutes of February 23, 2021.

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

RESOLUTION NO. 8959

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

R e c i t a l s

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 engineers and 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 engineers 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 engineers.

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 9th day of March, 2021.

Motion was made by Mr. Walker and seconded by Mr. Flint authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 2 to Contract 430-07424B with Jacobs Engineering, increasing the not-to-exceed contract amount by $950,000.00 for a new contract total of $1,725,000.00 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. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Flint and seconded by Mr. Cox authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 3 to Contract 430-09449 with Murphy & Associates, Inc., increasing the not-to-exceed contract amount by $1,000,000.00 for a new contract total of $1,849,500.00 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. 3. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

The Commission reviewed and discussed proposed modifications to the Governance Policy.

The Commission recessed at 1:23 p.m.

The Commission resumed at 1:30 p.m.

An executive session was announced at 1:30 p.m. to last until 5:00 p.m. to discussion pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i); to discuss legal risks of current practice or proposed action with legal counsel present (.110(1)(i) and to review performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 3:30 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 3:30 p.m. on March 9 and reconvened on Monday, March 15 at 8:30 a.m. via Microsoft Teams Meeting for the purpose of holding a Commission workshop and any other business that may come before the Commission with the following Commissioners present: Larry Schaapman, Judy Wilson, Nelson Cox, Dale Walker and Tom Flint. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the Commission adjourned at 3:30 p.m. on March 15 and reconvened on Wednesday, March 17 at 8:00 a.m. via Microsoft Teams Meeting for the purpose of holding an executive session and any other business that may come before the Commission with the following Commissioners present: Larry Schaapman, Judy Wilson, Nelson Cox, Dale Walker and Tom Flint. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the March 9, 2021 meeting officially adjourned at 10:00 a.m. on March 17, 2021.

_____

Larry Schaapman, President

ATTEST:

_____ _____

Nelson Cox, Secretary Judy Wilson, Vice President

Dale Walker, Commissioner

Tom Flint, Commissioner

REGULAR AGENDA

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 5 to Contract 430-07424C with Cornforth Consultants, Inc., increasing the not-to-exceed contract amount by $1,800,000.00 for a new contract total of $4,100,000.00 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. 5.

M E M O R A N D U M **February 17, 2021**

TO: Kevin Nordt, General Manager

VIA: Richard Wallen, Chief Operating Officer
Ty Ehrman, P.E., Managing Director of Power Production Ty Ehrman
Dale Campbell, P.E., Senior Manager of Power Production Engineering Dale Campbell
Rebecca Simpson, Manager of Dam Safety Engineering Rebecca Simpson
Brandon Little, P.E., Chief Dam Safety Engineer Brandon R. Little

FROM: Zach Ruby, P.E., Dam Safety Engineer

SUBJECT: Contract 430-07424C, Change Order No. 5

Purpose: To request Commission approval of Change Order No. 5 to Contract 430-07424C for the dam safety engineering professional services contract with Cornforth Consultants.

Discussion: Cornforth Consultants was awarded this Contract in December 2017 to provide primarily geotechnical-related engineering support for dam safety. Cornforth has proven to provide top-tier engineering support for various complex dam safety engineering projects, analyses, and evaluations, including the Wanapum left embankment seismic risk analysis, Priest Rapids Spillway and Wanapum Left Embankment instrumentation upgrades, FERC-required Priest Rapids Part 12 Independent Consultant inspection, Priest Rapids Left Abutment and Wanapum Left Embankment filter and seepage analyses, embankment recovery plans, and Wanapum Left Embankment stability analyses. Due to ongoing work and anticipated 2021 and 2022 tasks, a Change Order is being sought to allow continued support from Cornforth.

This proposed Change Order will allow District Dam Safety Engineering staff to continue to rely on Cornforth to provide ongoing support for the Wanapum Left Embankment seismic risk analysis, Priest Rapids Part 12 Independent Consultant inspection follow-up, Wanapum Left Embankment stability analyses, and other tasks supporting Dam Safety capital and O&M projects. Additional tasks anticipated to be assigned to Cornforth in 2021 and 2022 include Wanapum STID Section 5 text update, instrumentation monitoring system support, Priest Rapids Left Abutment piezometer installation, Wanapum River Closure Section (RCS) secondary compression study, Priest Rapids Left Embankment stability analyses, Wanapum Part 12 support and follow-up, and project-wide Semi-Quantitative Risk Assessment (SQRA) support. Other future tasks may also be assigned to Cornforth depending on the nature of the work and their ability to meet our project budget and schedule requirements.

Justification: The primary benefits are to ensure the District continues to receive high-quality dam safety engineering professional services, continues to be in compliance and in good standing with the FERC Division of Dam Safety and Inspections, and fulfill our value of safety by maintaining and operating our dams in a safe and responsible manner. By increasing this contract value, the District remains on schedule with current dam safety engineering work Cornforth is supporting, as well as positioning the District advantageously for dam safety engineering support anticipated for 2021 and 2022 by ensuring the qualified and familiar personnel of Cornforth are available.

Financial Considerations: Change Order No. 5 is requesting the addition of $1,800,000 to the Cornforth Contract. These funds are included in 2021 and 2022 budgets and charges incurred by this contract will be allocated to various projects depending on the specific project being supported. Billing rates were evaluated and negotiated prior to contract award and appear to be fair and reasonable based on the type of engineering support required for this contract.

Change Order History: This is the fifth change order for this contract. Change Order No. 3 was intended to provide funds to cover Cornforth's forecasted workload through 2020. Change Order No. 4 provided additional funds to cover Cornforth's increased workload from new tasks assigned in 2020. Change Order No. 5 includes funds to cover Cornforth's forecasted workload through 2022.

Legal Review: See attached email.

Recommendation: Commission approval of Change Order No. 5 to Contract 430-07424C to increase Contract Price by $1,800,000 for a new Not-to-Exceed Contract value of $4,100,000.

CHANGE ORDER
NO. 5

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 December 31, 2022.

C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of $1,800,000.00 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 $4,100,000.00, 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	Cornforth Consultants, Inc.
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Grant County PUBLIC UTILITY DISTRICT
Excellence in Service and Leadership

Change Order Table

Contract Title: Dam Safety Engineering Services

Contract No.	430-07424C	Award Date:	12/7/2017
Project Manager:	Zach Ruby	Original Contract Amount:	$300,000.00
District Representative (If Different):		Original Contract completion:	12/31/2022
Contractor:	Cornforth Consultants, Inc.	Total CO Cost Change Amt	$3,800,000.00

CO#	Change Description	Approved by	Executed Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Increase the Contract Price.	Comm	06/28/18	N/A	$500,000.00	$800,000.00	$500,000.00
2	Increase the Contract Price.	Managing Director	04/25/19	N/A	$200,000.00	$1,000,000.00	$200,000.00
3	Increase the Contract Price.	Comm	09/25/19	N/A	$800,000.00	$1,800,000.00	$1,000,000.00
4	Increase the Contract Price.	Director	08/14/20	N/A	$500,000.00	$2,300,000.00	$500,000.00
5	Increase the Contract Price.	Comm		N/A	$1,800,000.00	$4,100,000.00	$2,300,000.00
Total Change Order Cost Change Amount					3,800,000.00		

For Commission Review – 3/23/2021

RESOLUTION NO. XXXX

A RESOLUTION AMENDING THE GOVERNANCE POLICY AND SUPERSEDING PRIOR RESOLUTIONS RELATING TO GOVERNANCE OF GRANT PUD

R e c i t a l s

1. Grant PUD has a Governance Policy adopted August 31, 2009 by Resolution No. 8402, and as amended by Resolution Nos. 8517, 8708, 8815, and 8918; and

2. Grant PUD has reviewed and desires to update its Governance Policy.

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

Section 1. The Public Utility District No. 2 of Grant County, Washington Governance Policy (the "Governance Policy") attached as Exhibit A is hereby approved and adopted as the official governance policy of Grant PUD.

Section 2. Any prior resolutions inconsistent with the Governance Policy adopted herein are superseded to the extent of the inconsistency.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 13th day of April, 2021.

_____
President

ATTEST:

_____ _____
Secretary Vice President

_____ _____
Commissioner Commissioner

Grant County
PUBLIC UTILITY DISTRICT

GOVERNANCE POLICY

Exhibit A
Resolution No. 8402
Revised – Resolution No. 8517
Revised – Resolution No. 8708
Revised – Resolution No. 8815
Revised – Resolution No. 8918
Revised – Resolution No. XXXX

April 13, 2021

Deleted: May 28, 2019

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1 Purpose of the Commission

A The Commission is the legislative body of Public Utility District No. 2 of Grant County, Washington pursuant to the Public Utility District Act, RCW Title 54, and all other applicable statutes and laws. The powers of the District are exercised through a five-member Commission pursuant to RCW 54.12.010.

B The purpose and responsibility of Grant County PUD's Commission, on behalf of the customers of Grant County, is to provide oversight and democratic decisions that enable Grant County PUD to fulfill its mission of generating and delivering power and other services to its customers in a cost-effective and efficient manner.

C Accordingly the Commission will:

1. Identify and define the purpose, values, vision, and strategic direction of the District, along with the results the District is to achieve, and communicate them in the form of policy.
2. Identify and define those results or conditions of the District that are acceptable and not acceptable to the Commission and communicate them in the form of policy.
3. Make operational decisions designated by statute.
4. Hire, evaluate, and terminate the General Manager / CEO.
5. Hire, evaluate, and terminate the General Counsel / CLO.
6. Appoint or remove the Treasurer.
7. Appoint or remove the Auditor.
8. Review and approve the budget in a timely manner.

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2 Governance Focus

A The Commission will govern with an emphasis on:

1. Strategic leadership.
2. Encouragement of diversity in viewpoints.
3. Clear distinction of Commission and General Manager / CEO roles.
4. Collaborative rather than individual decisions.
5. The future and present.
6. Being proactive rather than reactive.

B Specifically:

1. The Commission is responsible for excellence in governing.
2. The Commission will direct, evaluate and inspire the organization through the careful establishment of written policies reflecting the Commission's values and vision.

3. The Commission's major policy focus will be on Grant County PUD's long-term impacts outside the organization, not on the administrative or programmatic means of achieving those effects. The Commission relies upon the expertise and diversity of its individual members to enhance the ability of the Commission as a body.

4. The Commission will establish and adhere to the standards needed to govern with excellence. Standards will apply to matters such as attendance at meetings, preparation for meetings, policymaking principles and codes of conduct.

3 Commission Member Job Description

A The specific duties of the Commissioners as elected representatives are to ensure appropriate organizational performance.

B Specifically, Commissioners will:

1. Regularly attend Commission meetings and workshops.
2. Adopt the District's Strategic Plan, review it annually and make appropriate revisions.
3. Adopt the District's budget on an annual basis.
4. Set the rates, rules and regulations for services and commodities provided by the District.
5. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability.
6. Promote continual Commission development which will include orientation of new Commission members in the Commission's governance process and periodic Commission discussion of process improvement to include periodic training and education.
7. Monitor and discuss the Commission's process and performance semi-annually at Commission workshops. Self-monitoring will include comparison of Commission activity and discipline to policies in the governance process. The Commission will determine the appropriate manner of evaluation and feedback.
8. Maintain written policies to ensure a high quality of governance and clear direction and roles in decision-making between the Commission and General Manager / CEO.
9. Respect their individual fiduciary duties to protect and enhance the District as a customer-owned utility with due diligence using sound business judgment. In addition, a minimum of two (2) Commissioners will attend the Financial Advisory Committee (FAC) and work with staff on the financial management of the District.
10. Hire the General Manager / CEO to handle the day-to-day operations of the District and fulfill the duties as outlined in RCW 54.16.100.

11. Evaluate and determine compensation for the General Manager / CEO and General Counsel / Chief Legal Officer (Appointees). The Commission's evaluation criteria will focus on the District's strategic objectives.

    a) Complete verbal mid-year evaluation of Appointees. The Commission will communicate any additional goals or objectives at the time of subsequent evaluation.

    b) Complete year-end written evaluation of Appointees. The Commission will communicate any new goals or objective during the subsequent evaluation. At this time, the Commission will also determine proper compensation for the Appointees.

12. Develop and use outreach mechanisms to ensure the Commission hears the strategic viewpoints and values of its customer/owners, the community and other interested stakeholders. Community relations shall be an ongoing activity for all Commission members.

13. Take such other actions as may be required by law.

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4 General Meeting Rules

A The Commission may excuse an absent member by a majority vote. The Clerk of the Board will note in the minutes whether the member's absence was excused or un-excused. If a Commissioner anticipates an extended period of nonattendance in excess of 45 days, or is absent for a period of time in excess of 45 days, the Commission may excuse the absence by a majority vote in order to protect the Commissioner's position under RCW 54.12.010 prior to the 59th day of nonattendance. The Clerk of the Board shall note in the minutes whether the member's absence is excused or un-excused for the period.

B Journal of Proceeding: A journal of all proceedings (minutes) of the Commission, except executive sessions, shall be kept in hardcopy and electronic form by the Clerk of the Board or their designee constituting the official record of the Commission. All Commission meetings and workshops held in the Ephrata Commission room, except executive sessions, shall be audio recorded, unless prevented by technical difficulties, and retained in accordance with State retention guidelines.

C Right of Floor: Any members desiring to speak shall first be recognized by the Chair.

D Decorum: All members, employees, and members of the public shall preserve order, decency and decorum at all times while the Commission is in session. No member shall, by conversation or otherwise, delay or interrupt the proceedings or the peace of the Commission, nor disturb any member who is speaking. No member shall refuse to obey an order of the Chair. Members shall confine their remarks to the subject under consideration. Discussion shall relate to the subject under consideration and shall be relevant and pertinent thereto so as to provide for the expeditious disposition and resolution of the District's business. No member shall use any impertinent, degrading or slanderous language as to any other member, staff, or public. There shall be no lectures, speeches or grandstanding.

E Audio/Video Area: All audio or video taping by the public and/or press shall be done from the back of the meeting room.

5 Presiding Officer

A **President:** The President shall preside at meetings of the Commission, and be recognized as the head of the Commission for all ceremonial purposes. In case of the President's absence or temporary disability, the Vice-President shall act as President during the continuance of the absence. The President is referred to as the "Chair" or "Presiding Officer" from time-to-time in this Governance Policy.

B **Call to Order:** The meetings of the Commission shall be called to order at the appointed time by the President or, in his absence, by the Vice-President. In the absence of both the President and Vice-President, the meeting shall be called to order by the Secretary.

C **Preservation of Order:** The President shall preserve order and decorum; prevent attacks on personalities or the impugning of member's or public motives and confine members or public in debate to the question under discussion.

D **Points of Order:** The President shall determine all points of order, subject to the right of any member to appeal to the Commission. If any appeal is taken, the question shall be "Shall the decision of the President be sustained?"

E **Questions to be stated:** The President shall state all questions submitted for a vote and announce the results. A roll call shall be taken upon request of any member.

F **President-Voting Powers:** The President shall vote on motions or other matters to be decided by the Commission unless he or she has abstained from discussion or debate and voting on an agenda item due to an announced conflict of interest.

6 Commission Meeting Agenda

A The General Manager / CEO shall arrange a list of proposed matters according to the order of business and prepare an agenda for the Commission. A copy of the agenda and supporting materials shall be prepared for Commission members, the General Manager / CEO, and the press on or before the close of business on the Thursday before the regular Commission meeting.

B The Consent Agenda may contain items which are of a routine and non controversial nature and may include, but are not limited to the following; meeting minutes, vouchers, travel, and trade association appointments. Any item on the Consent Agenda may be removed and considered separately as an agenda item at the request of any Commission member or any person attending a Commission meeting.

C Members of the Commission, General Manager / CEO, or designee, will have the opportunity to discuss/recommend business or other matters for placement on future agendas. In addition, at each regular Commission meeting, time will be allowed for any Commission member, the General Manager / CEO, or designee to

bring before the Commission any business that should be discussed or deliberated upon.

D In the event of a natural disaster, attack or notice of imminent attack, where it becomes imprudent, inexpedient or impossible to conduct the affairs of the District at the regular or usual place, the Commission may meet at any place within or without its territorial limits on the call of the presiding President or any three members of the Commission. After any emergency relocation, the affairs of the District shall be conducted at such emergency temporary location for the duration of the emergency (RCW 42.14.075).

7 Motions

A Members who wish to make a motion must first be recognized by the Presiding Officer. After the member makes a motion (and after the motion is seconded if required), the chair must restate it or rule it out of order, then call for discussion.

B Most motions require a second, although there are some exceptions: nominations, points of order, requests to remove an item from the consent agenda, and motions to table. The Presiding Officer will state the motion and call for the vote. A motion to table does not require a second and is not debatable.

C Motions for reconsideration must be made by a member from the prevailing side; any member may make the second. The following rules apply to motions for reconsideration: Motion must be in a timely manner but in no instance more than six (6) months after the original action. When (6) months have elapsed, any member may bring the item before the Commission.

8 Voting

A The votes during all meetings of the Commission shall be transacted as follows:

1. Unless otherwise provided for by statute, ordinance, or resolution, all votes shall be taken by voice, except that at the request of any Commission member, the Presiding Officer shall take roll call vote. The Presiding officer shall determine the order of the roll call vote.
2. The passage of any motion or resolution shall require a majority vote of the whole Commission.
3. Commission members shall vote on all matters before the Commission unless a statutory conflict of interest exists. If there is a conflict of interest, that Commission member shall state the conflict of interest and abstain from discussion and from voting on that matter.
4. If any Commission member refuses to vote “aye” or “nay”, their vote shall be counted as an “aye” vote unless the Commissioner provides a reason to abstain.

9 Audience Participation (Addressing the Commission)

A **Agenda Items:** Anyone desiring to speak to the Commission on an agenda item must sign the meeting register and indicate their desire to speak to the Presiding

Officer at the beginning of the meeting unless otherwise recognized by the chair. This will generally take place during the public comment period of the meeting.

B **Non-Agenda Items:** Anyone desiring to speak to the Commission on a non-agenda item shall sign the meeting register and indicate their desire to speak to the Chair at the beginning of the meeting. The Presiding Officer, at his or her discretion, may permit such persons to address the Commission and has the authority to limit the time for comment to three (3) minutes unless a longer period of time was either pre-arranged with the Clerk of the Board and/or is allowed by the Board President.

C **Manner of Addressing the Commission**: Each person addressing the Commission shall step up to the microphone, give his/her name, address and city of residence and subject matter of comments in an audible tone of voice for the record. All comments shall be made to the entire Commission and not to any single member nor to staff. Any questions for Commission members or staff shall be presented through the Presiding Officer. The Commission will determine the disposition of any issues raised (e.g., placed on the present agenda, workshop, other agendas, refers to staff, or do not consider).

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D **Conduct of Audience:** All audience members shall abide by the rules of decorum contained in Section 4, General Meeting Rules, paragraph "D" entitled "Decorum". No audience member shall disrupt the conduct of the meeting or cheer, hoot, holler, gesture, whistle, guffaw, jeer, boo, hiss, make remarks out of turn, use profanity, or the like. Any audience member who does so shall be determined out of order and the Presiding Officer may have such person removed from the Commission chambers immediately. Such person shall not be permitted to attend the remainder of that Commission meeting.

10 Filling Commission Vacancies

A Notice of Vacancy. If a Commission vacancy occurs, the Commission will follow the procedures outlined in RCW 42.12.070. In order to fill the vacancy with the most qualified person available until an election is held, the Commission will widely distribute and publish a notice of vacancy and the procedure and deadline for applying for the position.

B Letters of Interest. The Commission will announce the vacancy and will accept letters of interest from any interested person for no less than 30 days from the time of official public announcement. The Commission will review the letters of interest and/or interview the applicants. The Commission will select and appoint a qualified person to the vacant Commission seat.

11 Executive Sessions

A If the Commission convenes an executive session to discuss what is permitted by law, there is no valid reason to disclose publicly what was discussed and reviewed privately. Everything which is discussed during an executive session, and all written materials that are reviewed during an executive session, shall be considered confidential and no Commission member shall publicly disclose any such information. The Commission finds that disclosing publicly what was

discussed and reviewed during an executive session undermines the whole purpose of meeting in executive session. Public disclosure may be made in the event a majority of the Commission members vote to approve the public disclosure prior to its disclosure. Any request for such a vote shall be first raised during an executive session for discussion purposes prior to a vote in open session.

12 Criminal Convictions & Violations of the Code of Ethics

A No Commission member shall serve on the Commission after having been convicted of any criminal violation of Chapter 42.23 RCW (as now enacted or hereafter amended) or any felony or malfeasance in office RCW 9.92.120 (as now enacted or hereafter amended). No Commission member shall serve on the Commission after having violated any of the provisions of Chapter 42.23 RCW (as now enacted or hereafter amended). No Commission member shall serve on the Commission after having been convicted of any offense involving a violation of his or her official oath RCW 42.12.010(5) (as now enacted or hereafter amended).

13 Preserving the Attorney Client Privilege

A No Commission member shall make any disclosures or release any information which would result in the waiver of the attorney/client privilege without first obtaining the approval of a majority of the Commission in open session. Such a request for disclosure shall first be raised during an executive session for discussion prior to a vote in open session.

14 Good Faith Cooperation with Insurance Carrier

A All Commission members shall cooperate in good faith with any insurance carrier or attorney representing the District in connection with a defense provided by an insurance carrier.

15 Ultra Vires Actions

A Commission members shall not act ultra vires, or outside the scope of their authority and duties as Commission members.

16 Violations of Commission Rules of Proceedings

A These Rules of Procedure/ Proceedings are adopted with the intent that they be fully enforceable and that violations thereof result in Commission action against members as provided herein and pursuant to RCW Title 54 and Title 42.23, as now enacted or hereafter amended. Any violation of these Rules of Procedure/ Proceedings is deemed to constitute disorderly conduct by such member.

B Any claim of violation of the Governance Policy must be made in writing by a Commission member and filed with the President and made a part of the minutes of the Commission meeting where the charge is first considered.

C Members violating any other Rules of Procedure shall be subject to admonition for the first violation of a particular rule and reprimanded for subsequent violations.

D **Admonition:** An admonition shall be verbal vote in open session, recorded in the minutes, made by the Commission to the member.

E **Reprimand:** A reprimand shall be administered to the member by letter. The letter shall be prepared by the Commission after action in open session to approve such letter. If the member objects to the contents of such letter, he/she may file a request for review of the content of the letter of reprimand with the Commission. The Commission shall review the letter of reprimand based upon the request for review and any record established, and may take whatever action appears appropriate under the circumstances.

17 Role of Commission President

A The President of the Commission shall:

1. Ensure that the Commission jointly and consistently adheres to its own rules and policies, and those imposed upon it by the laws of the State of Washington.
2. Preside over and facilitate Commission meetings.
3. Ensure that deliberation is fair, open and thorough, but also timely, orderly and kept to the point.
4. Preside over and facilitate all Commission meetings in accordance with this Governance Policy, if not otherwise addressed here, the most current version of and Roberts Rules of Order, as needed.
5. Schedule and coordinate the semi-annual process of evaluating the General Manager / CEO.
6. Schedule and coordinate the semi-annual process of evaluating the General Counsel /CLO.
7. Have no authority to supervise or administratively direct the General Manager / CEO, apart from authority expressly granted the President by the Commission.
8. Assume responsibility of the Commission that is not specifically assigned to another Commission member.
9. Be allowed to delegate his or her authority, but remains accountable for its use.
10. Call Special Meetings of the Commission in the event of a business need as provided for in RCW 42.30.080.

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18 Role of the Commission Vice-President

A The Vice-President of the Commission shall:

1. Perform such duties as are assigned by the President.
2. Have all the power and duties of the President in the absence or inability of the President to act.
3. Have all the powers and duties of the Secretary in the absence or inability of the Secretary to act, when not acting as the President.

19 Role of the Commission Secretary

A The Secretary of the Commission shall:

1. Where appropriate, attest instruments and documents duly authorized by the Commission.
2. Perform all duties incident to the office of Secretary as may from time to time be required by law or assigned to such office by motion, rule or resolution of the Commission.
3. Have all the powers and duties of the President in the absence or inability of both the President and the Vice-President to act.

20 Commission Members' Code of Conduct

A Commission members shall conduct themselves in accordance with all laws. The State of Washington has adopted a "Code of Ethics" that applies to all municipal officers, codified under RCW 42.23. The declared purpose of the Code of Ethics is to make uniform the laws of the State concerning the transaction of business by municipal officers in conflict with the proper performance of their duties in the public interest, and to promote the efficiency of local government by prohibiting certain instances and areas of conflict while at the same time sanctioning, under sufficient controls, certain other instances and areas of conflict.

B Specifically:

1. Commission members are strictly prohibited by law from entering into or engaging in any activity defined by RCW 42.23 as a conflict of interest with their official duties as a Grant County PUD Commissioner.
2. On an annual basis and in a public forum, each Commissioner shall acknowledge their obligation to disclose any conflicts of interest as defined in RCW 42.23.
3. On a case by case basis, each Commission member will disclose to the other Commission members, in a public forum, any remote conflicts of interest as defined under RCW 42.23. Disclosure will be noted in the District's official minutes which are public record. A Commissioner with such remote interest will not participate in any discussion and/or debate concerning such interest, will not vote on the matter, and will do nothing to influence any other Commissioner concerning their decision on the matter.
4. Commission members will adhere to the Grant County PUD Code of Ethics adopted by the Commission, and shall conduct themselves with civility and respect at all times with one another, with staff, and with members of the public.
5. Commission members will adhere to the Grant County PUD policy on appropriate use of District resources.
6. Commission members will become familiar with their individual and joint obligations pertaining to the District's directive on reporting alleged improper governmental action, including actions required of the

Commission regarding employee complaints of alleged improper governmental actions and/or employee claims of retaliation for reporting alleged improper governmental actions.

7. Commission members understand that all letters, memoranda and/or interactive computer or electronic information (including e-mail), the subject of which relates to the conduct of the District or the performance of any District function, are public records and may also be subject to disclosure under the Washington Public Records Act. Upon request, any such public records shall be provided to the Public Records Officer for inclusion in the District's records management program.

8. Commission members shall demonstrate loyalty to the interests of Grant County PUD's owners/ratepayers. This loyalty supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Commission member acting as a consumer of the District's activities.

9. Commission members may not attempt to exercise individual authority over Grant County PUD except as explicitly set forth and authorized in Commission policies.

   a) Commission members recognize the lack of authority vested in them as individuals in their interactions with the General Manager / CEO and with staff, except where explicitly authorized by the Commission.

   b) In interactions with the public, press or other entities, Commission members must recognize the same limitation and the inability of any Commission member to speak for the Commission except to repeat explicitly stated and adopted Commission decisions.

   c) Commission members shall not lead the public or media to have the impression that the General Manager / CEO, General Counsel / CLO, Auditor, or Treasurer is out of compliance with policies absent a determination of non-compliance by the Commission.

10. In accordance with Washington's Open Public Meetings Act, Commission members:

   a) Shall not meet as a quorum outside of Commission-called public meetings to hold discussions or make decisions as defined in RCW 42.30, regarding the business of the District.

   b) Shall not meet as a quorum with staff outside of a Commission-called public meeting for the purpose of gathering information.

   c) Understand that the requirements of the Washington Open Public Meetings Act applies to communications via telephone, e-mail, instant messaging or other forms of electronic communications. Any exchange of communication between more than two Commission members may constitute an official meeting of the Commission and be in violation of the Act.

   d) Commission members may send information to other members of the Commission on an informational basis; however, replies and/or

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exchanges of communications with more than one Commissioner regarding District business must not occur outside of an official public meeting of the Commission. Any such e-mail sent for informational purposes as described above, by any member of the Commission, shall be sent individually, not as group e-mail. Commissioners will not "reply" to any e-mail received by all other members of the Commission.

e) Commission members may not evade the requirements of the Open Public Meetings Act through use of "serial meetings", that is a series of smaller gatherings or use of a go-between such that the majority of Commissioners are not together but through the collection of other interactions the majority intend to take action. This includes but is not limited to: a series of telephone calls, multiple meetings between different groups of two Commissioners and e-mail communications between multiple Commissioners for the purpose of coordinating a decision.

11. Members will respect the confidentiality appropriate to issues regarding personnel, real estate transactions, proprietary matters, and attorney-client privileged communications, including those requirements listed under RCW 42.30.110, Executive Sessions and including any other confidential information gained by reason of the Commissioner's position.

21 Board Training, Orientation

A The Commission shall ensure that its skills are sufficient to assure excellence in governance of Grant County PUD.

B Specifically:

1. New Commission members shall receive training and orientation in Commission governance, policies and procedures.
2. New Commission members shall receive an orientation on the District's Strategic Plan.
3. New Commission members shall receive other general orientation in the organization and operation of the District by the General Manager / CEO and/or his designate.
4. Commission members shall receive training in the skills of effective communication and decision-making.
5. The Commission President shall receive training in the facilitation of public meetings.

Do we have this available? – There are good training materials available through MRCS.org.

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22 Commission Review of District Public Records

A Grant County PUD has a duty to comply with appropriate public records requests as prescribed in the Washington Public Records Act. Commissioners do not give up their status as members of the public and therefore can request such information.

B Because of the special status conferred upon the Commissioners as elected representatives, each Commissioner agrees that:

1. Commission member requests to inspect District documents that do not meet the criteria of a "public record" under RCW 42.56 and/or which may be confidential in nature, shall be forwarded directly to the General Manager / CEO, who will provide the requested files, as allowed by law, for review on District premises.
2. No confidential or original documents shall be taken from District premises except with the authorization of the Commission or General Manager / CEO.
3. Commission members shall adhere to the same confidentiality requirements applicable to employees when dealing with the District's records and other documents.
4. District employee personnel files will not be subject to Commission review pursuant to the District's policies relating to employee records confidentiality and access except this limitation shall not apply to Commission appointees.
5. Access to District public records may be achieved by making a verbal or written request to the General Manager / CEO, General Counsel / CLO, or Clerk of the Board. The requested material will be provided to all five board members.

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23 Commission Committees

A The Commission may establish ad hoc advisory and standing committees.

B The Commission will review the committees at least annually to determine whether they should continue.

C Specifically:

1. Committees will ordinarily assist the Commission by gaining education, considering alternatives and implications, and preparing policy alternatives.
2. Commission committees may not speak or act for the Commission, except when formally given such authority for specific and time-limited purposes.
3. Commission committees cannot exercise authority over staff nor interfere with the delegation from the Commission to the General Manager / CEO.
4. Participation in committee meetings shall be in compliance with the provisions of the Open Public Meetings Act, in that if three or more Commission members are present, then the meeting must be properly noticed as a public meeting.
5. This policy applies to any group which is formed by Commission action, whether or not it is called a committee. It does not apply to committees formed under the authority of the General Manager / CEO.

24 Unity of Control

A Only decisions of the Commission acting as a body are binding upon the General Manager / CEO, the General Counsel / CLO, the Auditor, or Treasurer.

B Specifically, in or out of Commission Meetings:

1. Decisions or instructions of individual Commission members are not binding on the General Manager / CEO, General Counsel / CLO, the Auditor, or Treasurer except in instances when the Commission has specifically authorized such exercise of authority.
2. In the case of Commission members requesting information or assistance without Commission authorization, the General Manager / CEO, General Counsel / CLO, the Auditor, or Treasurer must refuse such requests that require, in their opinion, a material amount of staff time or funds, are disruptive to the District, or which may involve a conflict of interest between the District and the Commissioner requesting the information or assistance.
3. Commission members individually may communicate directly with District employees or contractors. However, the Commission as a body and the Commission members will never give direction to persons who report directly or indirectly to the General Manager / CEO, with the exception of the General Counsel / CLO, Auditor, or Treasurer. If individual Commission members are dissatisfied with the response they receive, they may seek resolution through the Commission.
4. The Commission as a body and the Commission members will refrain from evaluating, either formally or informally, the job performance of any District employee other than the General Manager / CEO and General Counsel / CLO.

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25 Commission-General Manager / CEO Relationship

A The Commission governs Grant County PUD and is the policy-making body of the District. The Commission operates under the provisions of the Revised Code of Washington, Title 54, Title 42 in part, and all other applicable statutes and laws.

B The Commission is responsible for the following:

1. Identifying and defining the purpose, values and vision of the District, along with the results that the District is to achieve, and communicating them in the form of policy.
2. Making certain operational decisions as designated by law.
3. Hiring, evaluating, and terminating the General Manager / CEO.

C The General Manager / CEO is responsible for the following:

1. All operations of the District as well as the business affairs of the District.

2. Achieving the results established by the Commission within the appropriate and ethical standards of business conduct set by the Commission.

3. Enforcing District resolutions, administering directives, staff policies and procedures, hiring and terminating all employees, attending meetings of the Commission and reporting on the general affairs of the District, and keeping the Commission advised as to the current and future business needs of the District.

4. Appointing a person to serve as the District's Chief Financial Officer. This will be a person with sufficient education and experience to fulfill the duties of the position. Together with the chief financial officer, the General Manager / CEO shall ensure that, to the best of their knowledge and belief, financial reports are complete and reliable in all material respects.

5. Ensuring the smooth continuous operation of the District in the event of the planned or unplanned absence of the General Manager / CEO.

6. Interacting with the public and other utilities and government agencies, pursuant to policies and direction adopted by the Commission.

7. At the direction and oversight of the Commission, the General Manager / CEO and Chief Financial Officer, or their designees, shall jointly serve as the chief liaison with all external audit agencies, shall coordinate the proper independent audit of annual financial statements, and shall ensure that the results and findings of such audits are reported to the Commission. In acting in this capacity, the General Manager / CEO does not relieve the Commission of its oversight responsibility

8. Perform other responsibilities as may be appropriately delegated by the Commission.

Commission-General Counsel / CLO Relationship

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A The General Counsel / CLO provides legal counsel to the District and to the Commission. The General Counsel / CLO reports both to the Commission and to the General Manager / CEO.

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B The Commission is responsible for hiring and terminating the General Counsel / CLO.

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C The General Counsel / CLO shall advise the Commissioners regarding potential conflict of interest issues or ethical matters. General Counsel shall provide assistance to individual Commissioners in complying with applicable statutes and laws only when such advice does not conflict with the General Counsel's obligations to the District or to specific direction of the Commission.

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D The Commission is responsible for evaluating the General Counsel's / CLO's performance. The Commission shall solicit the General Manager / CEO's input in evaluating the performance of the General Counsel.

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E With respect to the Commission, the General Counsel / CLO shall:

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1. Give his or her advice or opinion whenever he or she deems it necessary or when required by the Commission.
2. Inform the Commission of material legal issues impacting the District or the Commission.
3. When necessary, act independently of the General Manager / CEO.
4. Provide counsel to the Commission and individual Commission members with regard to conflict of interest issues.
5. Provide counsel to the Commission and individual Commission members with regard to other ethical matters.
6. Assist the Commission members in complying with and interpretation of applicable statutes, laws, and regulations.
7. The General Counsel / CLO shall not provide legal counsel to Commission members except as it relates to their role as Grant County PUD Commission members.

27 Commission Relationship w/ Auditor and Treasurer

A The District Auditor (Auditor) and District Treasurer (Treasurer) serve in the capacity set forth by Title 54 of the Revised Code of Washington.

B The Commission is responsible for appointing or removing the Auditor and the Treasurer. The Commission, by resolution, shall designate an Auditor and this person shall be a District employee other than the General Manager / CEO or Treasurer. The Commission, by resolution, shall designate a person other than the County Treasurer to be District Treasurer and this person shall be a District employee other than the General Manager / CEO or Auditor. The Auditor and Treasurer shall perform those duties specified by RCW 54.24.010 and shall be granted direct access to the Commission at the request of the Auditor, Treasurer or Commission, but not less than quarterly ~~as necessary~~ in the performance of these duties.

C The Auditor and Treasurer shall report to the Chief Financial Officer for all administrative matters, including hiring, performance evaluations, salary administration, employee benefits, and terminations.

D The Treasurer or Deputy Treasurer shall provide quarterly reports to the Commission summarizing cash and investment activity, and provide other reports to the Commission as necessary related to the duties of the Treasurer or as requested by the Commission.

E The Auditor or Deputy Auditor shall issue warrants for claims against the District. As soon as practical after issuance of such warrants, the Auditor shall provide a list of all warrants issued, and shall certify to the Commission that such disbursements satisfy just, due and unpaid obligations of the District, in a manner specified by the State Auditor.

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F If the Commission disapproves a paid claim on the District, the Auditor will request the Treasurer to recognize the claim as a receivable. The Treasurer and Auditor will pursue collection.

G The Auditor shall develop an annual audit plan, and conduct audits contained within the plan or other audits as may be requested by the Commission. The Auditor shall report to the Commission on the progress and results of such audits at least semi-annually. The Auditor, in the performance of his or her duties, shall have unlimited access to all activities, records, property and personnel of the District.

28 Delegation to the General Manager / CEO

A In accordance with RCW 54.16.100, the General Manager / CEO is the chief administrative officer of the District, in control of all administrative functions and shall be responsible to the Commission for the efficient administration of the affairs of the District placed in his or her charge. In the absence or temporary disability of the General Manager / CEO, the General Manager / CEO shall, with the approval of the President of the Commission, designate some competent person as Acting Manager.

The General Manager / CEO may attend all meetings of the Commission and its committees, and take part in the discussion of any matters pertaining to the duties of his or her department, but shall have no vote.

The General Manager / CEO shall carry out the orders of the Commission, and see that the laws pertaining to matters within the functions of his or her department are enforced; keep the Commission fully advised as to the financial condition and needs of the districts; prepare an annual estimate for the ensuing fiscal year of the probable expenses of the department, and recommend to the commission what development work should be undertaken, and what extensions and additions, if any, should be made during the ensuing fiscal year, with an estimate of the costs of the development work, extensions, and additions; certify to the Commission all bills, allowances, and payrolls, including claims due contractors of public works; recommend to the Commission compensation of the employees of his or her office, and a scale of compensation to be paid for the different classes of service required by the district; hire and discharge employees under his or her direction; and perform such other duties as may be imposed upon the manager by resolution of the Commission.

B The General Manager / CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities to achieve the goals set forth by the Commission for the District.

C The Commission shall develop policies that define the delegation to the General Manager / CEO with regard to the General Manager / CEO's authority.

D The General Manager / CEO must bring to the Commission's attention circumstances that affect the goals established by the Commission and may request the Commission to take appropriate actions.

E The Commission may change its delegation to the General Manager / CEO at any time, thereby expanding or limiting the authority of the General Manager / CEO. Whenever a particular delegation is in place, the Commission will abide by the General Manager / CEO's decisions in those areas that are delegated to him or her.

29 Budget & Procurement Authority

A The Commission, by resolution, shall approve the District's budget prior to the start of each fiscal year.

B By resolution, the Commission shall set forth the authority of the General Manager / CEO to manage and expend District funds in accordance with financial policies and budgetary limits. Procurement of goods and services shall take place in accordance with applicable legal requirements in a fair, competitive and inclusive manner to maximize the benefit to the District's ratepayers/customers.

C The General Manager / CEO shall establish procurement controls that provide reasonable assurance that the procurement of goods and services are made for a valid business purpose and within authorized budget levels.

D It is District policy that all procurement decisions be made free from actual or perceived conflicts of interest consistent with the District's Code of Ethics.

E It is District policy that due diligence and prudent judgment be exercised in the making of procurement decisions, including conducting a risk assessment. If the General Manager / CEO reasonably determines that a procurement activity presents, regardless of the size of the financial commitment, either (i) a unique and significant operational risk to the District; or (ii) a significant impact to customers, the General Manager / CEO shall inform the Commission.

30 Financial Policies

A The Commission, by resolution, shall adopt financial policies that provide guidance to the General Manager / CEO and Chief Financial Officer in managing the finances of the District and in developing budgets, financial plans and rates. At a minimum, these policies shall 1) provide for sufficient liquidity relative to the District's risk profile, 2) provide for adequate coverage to meet debt covenants, 3) establish criteria for debt and rate - financed capital expenditures, 4) require that budgets be developed based on conservative and prudent assumptions consistent with standard industry practice, and 5) establish budgetary and procurement controls over expenditures.

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31 Amendment of These Rules

A These rules may be amended or new rules adopted by a majority vote of the whole Commission, provided that the proposed amendments or new rules have been introduced into the record at a prior Commission meeting.

Grant County
PUBLIC UTILITY DISTRICT

GOVERNANCE POLICY

Exhibit A
Resolution No. 8402
Revised – Resolution No. 8517
Revised – Resolution No. 8708
Revised – Resolution No. 8815
Revised – Resolution No. 8918
Revised – Resolution No. XXXX

April 13, 2021

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Purpose of the Commission

A The Commission is the legislative body of Public Utility District No. 2 of Grant County, Washington pursuant to the Public Utility District Act, RCW Title 54, and all other applicable statutes and laws. The powers of the District are exercised through a five-member Commission pursuant to RCW 54.12.010.

1

B The purpose and responsibility of Grant County PUD's Commission, on behalf of the customers of Grant County, is to provide oversight and democratic decisions that enable Grant County PUD to fulfill its mission of generating and delivering power and other services to its customers in a cost-effective and efficient manner.

C Accordingly the Commission will:

1. Identify and define the purpose, values, vision, and strategic direction of the District, along with the results the District is to achieve, and communicate them in the form of policy.
2. Identify and define those results or conditions of the District that are acceptable and not acceptable to the Commission and communicate them in the form of policy.
3. Make operational decisions designated by statute.
4. Hire, evaluate, and terminate the General Manager / CEO.
5. Hire, evaluate, and terminate the General Counsel / CLO.
6. Appoint or remove the Treasurer.
7. Appoint or remove the Auditor.
8. Review and approve the budget in a timely manner.

2

Governance Focus

A The Commission will govern with an emphasis on:

1. Strategic leadership.
2. Encouragement of diversity in viewpoints.
3. Clear distinction of Commission and General Manager / CEO roles.
4. Collaborative rather than individual decisions.
5. The future and present.
6. Being proactive rather than reactive.

B Specifically:

1. The Commission is responsible for excellence in governing.
2. The Commission will direct, evaluate and inspire the organization through the careful establishment of written policies reflecting the Commission's values and vision.

3. The Commission's major policy focus will be on Grant County PUD's long-term impacts outside the organization, not on the administrative or programmatic means of achieving those effects. The Commission relies upon the expertise and diversity of its individual members to enhance the ability of the Commission as a body.

4. The Commission will establish and adhere to the standards needed to govern with excellence. Standards will apply to matters such as attendance at meetings, preparation for meetings, policymaking principles and codes of conduct.

Commission Member Job Description

A The specific duties of the Commissioners as elected representatives are to ensure appropriate organizational performance.

3

B Specifically, Commissioners will:

1. Regularly attend Commission meetings and workshops.

2. Adopt the District's Strategic Plan, review it annually and make appropriate revisions.

3. Adopt the District's budget on an annual basis.

4. Set the rates, rules and regulations for services and commodities provided by the District.

5. Enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation for meetings, policymaking principles, respect of roles, and ensuring the continuance of governance capability.

6. Promote continual Commission development which will include orientation of new Commission members in the Commission's governance process and periodic Commission discussion of process improvement to include periodic training and education.

7. Monitor and discuss the Commission's process and performance semi-annually at Commission workshops. Self-monitoring will include comparison of Commission activity and discipline to policies in the governance process. The Commission will determine the appropriate manner of evaluation and feedback.

8. Maintain written policies to ensure a high quality of governance and clear direction and roles in decision-making between the Commission and General Manager / CEO.

9. Respect their individual fiduciary duties to protect and enhance the District as a customer-owned utility with due diligence using sound business judgment. In addition, a minimum of two (2) Commissioners will attend the Financial Advisory Committee (FAC) and work with staff on the financial management of the District.

10. Hire the General Manager / CEO to handle the day-to-day operations of the District and fulfill the duties as outlined in RCW 54.16.100.

11. Evaluate and determine compensation for the General Manager / CEO and General Counsel / Chief Legal Officer (Appointees). The Commission's evaluation criteria will focus on the District's strategic objectives.

    a) Complete verbal mid-year evaluation of Appointees. The Commission will communicate any additional goals or objectives at the time of subsequent evaluation.

    b) Complete year-end written evaluation of Appointees. The Commission will communicate any new goals or objective during the subsequent evaluation. At this time, the Commission will also determine proper compensation for the Appointees.

12. Develop and use outreach mechanisms to ensure the Commission hears the strategic viewpoints and values of its customer/owners, the community and other interested stakeholders. Community relations shall be an ongoing activity for all Commission members.

13. Take such other actions as may be required by law.

General Meeting Rules

4

A The Commission may excuse an absent member by a majority vote. The Clerk of the Board will note in the minutes whether the member's absence was excused or un-excused. If a Commissioner anticipates an extended period of nonattendance in excess of 45 days, or is absent for a period of time in excess of 45 days, the Commission may excuse the absence by a majority vote in order to protect the Commissioner's position under RCW 54.12.010 prior to the 59th day of nonattendance. The Clerk of the Board shall note in the minutes whether the member's absence is excused or un-excused for the period.

B Journal of Proceeding: A journal of all proceedings (minutes) of the Commission, except executive sessions, shall be kept in hardcopy and electronic form by the Clerk of the Board or their designee constituting the official record of the Commission. All Commission meetings and workshops held in the Ephrata Commission room, except executive sessions, shall be audio recorded, unless prevented by technical difficulties, and retained in accordance with State retention guidelines.

C Right of Floor: Any members desiring to speak shall first be recognized by the Chair.

D Decorum: All members, employees, and members of the public shall preserve order, decency and decorum at all times while the Commission is in session. No member shall, by conversation or otherwise, delay or interrupt the proceedings or the peace of the Commission, nor disturb any member who is speaking. No member shall refuse to obey an order of the Chair. Members shall confine their remarks to the subject under consideration. Discussion shall relate to the subject under consideration and shall be relevant and pertinent thereto so as to provide for the expeditious disposition and resolution of the District's business. No member shall use any impertinent, degrading or slanderous language as to any other member, staff, or public. There shall be no lectures, speeches or grandstanding.

E Audio/Video Area: All audio or video taping by the public and/or press shall be done from the back of the meeting room.

Presiding Officer

A **President:** The President shall preside at meetings of the Commission, and be recognized as the head of the Commission for all ceremonial purposes. In case of the President's absence or temporary disability, the Vice-President shall act as President during the continuance of the absence. The President is referred to as the "Chair" or "Presiding Officer" from time-to-time in this Governance Policy.

B **Call to Order:** The meetings of the Commission shall be called to order at the appointed time by the President or, in his absence, by the Vice-President. In the absence of both the President and Vice-President, the meeting shall be called to order by the Secretary.

C **Preservation of Order:** The President shall preserve order and decorum; prevent attacks on personalities or the impugning of member's or public motives and confine members or public in debate to the question under discussion.

D **Points of Order:** The President shall determine all points of order, subject to the right of any member to appeal to the Commission. If any appeal is taken, the question shall be "Shall the decision of the President be sustained?"

E **Questions to be stated:** The President shall state all questions submitted for a vote and announce the results. A roll call shall be taken upon request of any member.

F **President-Voting Powers:** The President shall vote on motions or other matters to be decided by the Commission unless he or she has abstained from discussion or debate and voting on an agenda item due to an announced conflict of interest.

Commission Meeting Agenda

A The General Manager / CEO shall arrange a list of proposed matters according to the order of business and prepare an agenda for the Commission. A copy of the agenda and supporting materials shall be prepared for Commission members, the General Manager / CEO, and the press on or before the close of business on the Thursday before the regular Commission meeting.

B The Consent Agenda may contain items which are of a routine and non controversial nature and may include, but are not limited to the following; meeting minutes, vouchers, travel, and trade association appointments. Any item on the Consent Agenda may be removed and considered separately as an agenda item at the request of any Commission member or any person attending a Commission meeting.

C Members of the Commission, General Manager / CEO, or designee, will have the opportunity to discuss/recommend business or other matters for placement on future agendas. In addition, at each regular Commission meeting, time will be allowed for any Commission member, the General Manager / CEO, or designee to

bring before the Commission any business that should be discussed or deliberated upon.

D In the event of a natural disaster, attack or notice of imminent attack, where it becomes imprudent, inexpedient or impossible to conduct the affairs of the District at the regular or usual place, the Commission may meet at any place within or without its territorial limits on the call of the presiding President or any three members of the Commission. After any emergency relocation, the affairs of the District shall be conducted at such emergency temporary location for the duration of the emergency (RCW 42.14.075).

Motions

A Members who wish to make a motion must first be recognized by the Presiding Officer. After the member makes a motion (and after the motion is seconded if required), the chair must restate it or rule it out of order, then call for discussion.

B Most motions require a second, although there are some exceptions: nominations, points of order, requests to remove an item from the consent agenda, and motions to table. The Presiding Officer will state the motion and call for the vote. A motion to table does not require a second and is not debatable.

C Motions for reconsideration must be made by a member from the prevailing side; any member may make the second. The following rules apply to motions for reconsideration: Motion must be in a timely manner but in no instance more than six (6) months after the original action. When (6) months have elapsed, any member may bring the item before the Commission.

Voting

A The votes during all meetings of the Commission shall be transacted as follows:

1. Unless otherwise provided for by statute, ordinance, or resolution, all votes shall be taken by voice, except that at the request of any Commission member, the Presiding Officer shall take roll call vote. The Presiding officer shall determine the order of the roll call vote.
2. The passage of any motion or resolution shall require a majority vote of the whole Commission.
3. Commission members shall vote on all matters before the Commission unless a statutory conflict of interest exists. If there is a conflict of interest, that Commission member shall state the conflict of interest and abstain from discussion and from voting on that matter.
4. If any Commission member refuses to vote “aye” or “nay”, their vote shall be counted as an “aye” vote unless the Commissioner provides a reason to abstain.

Audience Participation (Addressing the Commission)

A **Agenda Items:** Anyone desiring to speak to the Commission on an agenda item must sign the meeting register and indicate their desire to speak to the Presiding

Officer at the beginning of the meeting unless otherwise recognized by the chair. This will generally take place during the public comment period of the meeting.

B **Non-Agenda Items:** Anyone desiring to speak to the Commission on a non-agenda item shall sign the meeting register and indicate their desire to speak to the Chair at the beginning of the meeting. The Presiding Officer, at his or her discretion, may permit such persons to address the Commission and has the authority to limit the time for comment to three (3) minutes unless a longer period of time was either pre-arranged with the Clerk of the Board and/or is allowed by the Board President.

C **Manner of Addressing the Commission**: Each person addressing the Commission shall step up to the microphone, give his/her name, address and city of residence and subject matter of comments in an audible tone of voice for the record. All comments shall be made to the entire Commission and not to any single member nor to staff. Any questions for Commission members or staff shall be presented through the Presiding Officer. The Commission will determine the disposition of any issues raised (e.g., placed on the present agenda, workshop, other agendas, refers to staff, or do not consider).

D **Conduct of Audience:** All audience members shall abide by the rules of decorum contained in Section 4, General Meeting Rules, paragraph "D" entitled "Decorum". No audience member shall disrupt the conduct of the meeting or cheer, hoot, holler, gesture, whistle, guffaw, jeer, boo, hiss, make remarks out of turn, use profanity, or the like. Any audience member who does so shall be determined out of order and the Presiding Officer may have such person removed from the Commission chambers immediately. Such person shall not be permitted to attend the remainder of that Commission meeting.

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Filling Commission Vacancies

A Notice of Vacancy. If a Commission vacancy occurs, the Commission will follow the procedures outlined in RCW 42.12.070. In order to fill the vacancy with the most qualified person available until an election is held, the Commission will widely distribute and publish a notice of vacancy and the procedure and deadline for applying for the position.

B Letters of Interest. The Commission will announce the vacancy and will accept letters of interest from any interested person for no less than 30 days from the time of official public announcement. The Commission will review the letters of interest and/or interview the applicants. The Commission will select and appoint a qualified person to the vacant Commission seat.

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Executive Sessions

A If the Commission convenes an executive session to discuss what is permitted by law, there is no valid reason to disclose publicly what was discussed and reviewed privately. Everything which is discussed during an executive session, and all written materials that are reviewed during an executive session, shall be considered confidential and no Commission member shall publicly disclose any such information. The Commission finds that disclosing publicly what was

discussed and reviewed during an executive session undermines the whole purpose of meeting in executive session. Public disclosure may be made in the event a majority of the Commission members vote to approve the public disclosure prior to its disclosure. Any request for such a vote shall be first raised during an executive session for discussion purposes prior to a vote in open session.

Criminal Convictions & Violations of the Code of Ethics

A No Commission member shall serve on the Commission after having been convicted of any criminal violation of Chapter 42.23 RCW (as now enacted or hereafter amended) or any felony or malfeasance in office RCW 9.92.120 (as now enacted or hereafter amended). No Commission member shall serve on the Commission after having violated any of the provisions of Chapter 42.23 RCW (as now enacted or hereafter amended). No Commission member shall serve on the Commission after having been convicted of any offense involving a violation of his or her official oath RCW 42.12.010(5) (as now enacted or hereafter amended).

Preserving the Attorney Client Privilege

A No Commission member shall make any disclosures or release any information which would result in the waiver of the attorney/client privilege without first obtaining the approval of a majority of the Commission in open session. Such a request for disclosure shall first be raised during an executive session for discussion prior to a vote in open session.

Good Faith Cooperation with Insurance Carrier

A All Commission members shall cooperate in good faith with any insurance carrier or attorney representing the District in connection with a defense provided by an insurance carrier.

Ultra Vires Actions

A Commission members shall not act ultra vires, or outside the scope of their authority and duties as Commission members.

Violations of Commission Rules of Proceedings

A These Rules of Procedure/ Proceedings are adopted with the intent that they be fully enforceable and that violations thereof result in Commission action against members as provided herein and pursuant to RCW Title 54 and Title 42.23, as now enacted or hereafter amended. Any violation of these Rules of Procedure/ Proceedings is deemed to constitute disorderly conduct by such member.

B Any claim of violation of the Governance Policy must be made in writing by a Commission member and filed with the President and made a part of the minutes of the Commission meeting where the charge is first considered.

C Members violating any other Rules of Procedure shall be subject to admonition for the first violation of a particular rule and reprimanded for subsequent violations.

D **Admonition:** An admonition shall be verbal vote in open session, recorded in the minutes, made by the Commission to the member.

E **Reprimand:** A reprimand shall be administered to the member by letter. The letter shall be prepared by the Commission after action in open session to approve such letter. If the member objects to the contents of such letter, he/she may file a request for review of the content of the letter of reprimand with the Commission. The Commission shall review the letter of reprimand based upon the request for review and any record established, and may take whatever action appears appropriate under the circumstances.

Role of Commission President

A The President of the Commission shall:

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1. Ensure that the Commission jointly and consistently adheres to its own rules and policies, and those imposed upon it by the laws of the State of Washington.
2. Preside over and facilitate Commission meetings.
3. Ensure that deliberation is fair, open and thorough, but also timely, orderly and kept to the point.
4. Preside over and facilitate all Commission meetings in accordance with this Governance Policy, if not otherwise addressed here, the most current version of and Roberts Rules of Order, as needed.
5. Schedule and coordinate the semi-annual process of evaluating the General Manager / CEO.
6. Schedule and coordinate the semi-annual process of evaluating the General Counsel /CLO.
7. Have no authority to supervise or administratively direct the General Manager / CEO, apart from authority expressly granted the President by the Commission.
8. Assume responsibility of the Commission that is not specifically assigned to another Commission member.
9. Be allowed to delegate his or her authority, but remains accountable for its use.

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10. Call Special Meetings of the Commission in the event of a business need as provided for in RCW 42.30.080.

Role of the Commission Vice-President

A The Vice-President of the Commission shall:

1. Perform such duties as are assigned by the President.
2. Have all the power and duties of the President in the absence or inability of the President to act.
3. Have all the powers and duties of the Secretary in the absence or inability of the Secretary to act, when not acting as the President.

Role of the Commission Secretary

A The Secretary of the Commission shall:

1. Where appropriate, attest instruments and documents duly authorized by the Commission.

19 2. Perform all duties incident to the office of Secretary as may from time to time be required by law or assigned to such office by motion, rule or resolution of the Commission.

3. Have all the powers and duties of the President in the absence or inability of both the President and the Vice-President to act.

Commission Members' Code of Conduct

A Commission members shall conduct themselves in accordance with all laws. The
20 State of Washington has adopted a "Code of Ethics" that applies to all municipal officers, codified under RCW 42.23. The declared purpose of the Code of Ethics is to make uniform the laws of the State concerning the transaction of business by municipal officers in conflict with the proper performance of their duties in the public interest, and to promote the efficiency of local government by prohibiting certain instances and areas of conflict while at the same time sanctioning, under sufficient controls, certain other instances and areas of conflict.

B Specifically:

1. Commission members are strictly prohibited by law from entering into or engaging in any activity defined by RCW 42.23 as a conflict of interest with their official duties as a Grant County PUD Commissioner.

2. On an annual basis and in a public forum, each Commissioner shall acknowledge their obligation to disclose any conflicts of interest as defined in RCW 42.23.

3. On a case by case basis, each Commission member will disclose to the other Commission members, in a public forum, any remote conflicts of interest as defined under RCW 42.23. Disclosure will be noted in the District's official minutes which are public record. A Commissioner with such remote interest will not participate in any discussion and/or debate concerning such interest, will not vote on the matter, and will do nothing to influence any other Commissioner concerning their decision on the matter.

4. Commission members will adhere to the Grant County PUD Code of Ethics adopted by the Commission, and shall conduct themselves with civility and respect at all times with one another, with staff, and with members of the public.

5. Commission members will adhere to the Grant County PUD policy on appropriate use of District resources.

6. Commission members will become familiar with their individual and joint obligations pertaining to the District's directive on reporting alleged improper governmental action, including actions required of the

Commission regarding employee complaints of alleged improper governmental actions and/or employee claims of retaliation for reporting alleged improper governmental actions.

7. Commission members understand that all letters, memoranda and/or interactive computer or electronic information (including e-mail), the subject of which relates to the conduct of the District or the performance of any District function, are public records and may also be subject to disclosure under the Washington Public Records Act. Upon request, any such public records shall be provided to the Public Records Officer for inclusion in the District's records management program.

8. Commission members shall demonstrate loyalty to the interests of Grant County PUD's owners/ratepayers. This loyalty supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Commission member acting as a consumer of the District's activities.

9. Commission members may not attempt to exercise individual authority over Grant County PUD except as explicitly set forth and authorized in Commission policies.

    a) Commission members recognize the lack of authority vested in them as individuals in their interactions with the General Manager / CEO and with staff, except where explicitly authorized by the Commission.

    b) In interactions with the public, press or other entities, Commission members must recognize the same limitation and the inability of any Commission member to speak for the Commission except to repeat explicitly stated and adopted Commission decisions.

    c) Commission members shall not lead the public or media to have the impression that the General Manager / CEO, General Counsel / CLO, Auditor, or Treasurer is out of compliance with policies absent a determination of non-compliance by the Commission.

10. In accordance with Washington's Open Public Meetings Act, Commission members:

    a) Shall not meet as a quorum outside of Commission-called public meetings to hold discussions or make decisions as defined in RCW 42.30, regarding the business of the District.

    b) Shall not meet as a quorum with staff outside of a Commission-called public meeting for the purpose of gathering information.

    c) Understand that the requirements of the Washington Open Public Meetings Act applies to communications via telephone, e-mail, instant messaging or other forms of electronic communications. Any exchange of communication between more than two Commission members may constitute an official meeting of the Commission and be in violation of the Act.

    d) Commission members may send information to other members of the Commission on an informational basis; however, replies and/or

exchanges of communications with more than one Commissioner regarding District business must not occur outside of an official public meeting of the Commission. Any such e-mail sent for informational purposes as described above, by any member of the Commission, shall be sent individually, not as group e-mail. Commissioners will not "reply" to any e-mail received by all other members of the Commission.

e) Commission members may not evade the requirements of the Open Public Meetings Act through use of “serial meetings”, that is a series of smaller gatherings or use of a go-between such that the majority of Commissioners are not together but through the collection of other interactions the majority intend to take action. This includes but is not limited to: a series of telephone calls, multiple meetings between different groups of two Commissioners and e-mail communications between multiple Commissioners for the purpose of coordinating a decision.

11. Members will respect the confidentiality appropriate to issues regarding personnel, real estate transactions, proprietary matters, and attorney-client privileged communications, including those requirements listed under RCW 42.30.110, Executive Sessions and including any other confidential information gained by reason of the Commissioner's position.

Board Training, Orientation

A The Commission shall ensure that its skills are sufficient to assure excellence in governance of Grant County PUD.

B Specifically:

1. New Commission members shall receive training and orientation in Commission governance, policies and procedures.
2. New Commission members shall receive an orientation on the District's Strategic Plan.
3. New Commission members shall receive other general orientation in the organization and operation of the District by the General Manager / CEO and/or his designate.
4. Commission members shall receive training in the skills of effective communication and decision-making.
5. The Commission President shall receive training in the facilitation of public meetings.

Commission Review of District Public Records

A Grant County PUD has a duty to comply with appropriate public records requests as prescribed in the Washington Public Records Act. Commissioners do not give up their status as members of the public and therefore can request such information.

B Because of the special status conferred upon the Commissioners as elected representatives, each Commissioner agrees that:

1. Commission member requests to inspect District documents that do not meet the criteria of a "public record" under RCW 42.56 and/or which may be confidential in nature, shall be forwarded directly to the General Manager / CEO, who will provide the requested files, as allowed by law, for review on District premises.

2. No confidential or original documents shall be taken from District premises except with the authorization of the Commission or General Manager / CEO.

3. Commission members shall adhere to the same confidentiality requirements applicable to employees when dealing with the District's records and other documents.

4. District employee personnel files will not be subject to Commission review pursuant to the District's policies relating to employee records confidentiality and access except this limitation shall not apply to Commission appointees.

5. Access to District public records may be achieved by making a verbal or written request to the General Manager / CEO, General Counsel / CLO, or Clerk of the Board. The requested material will be provided to all five board members.

Commission Committees

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A The Commission may establish ad hoc advisory and standing committees.

B The Commission will review the committees at least annually to determine whether they should continue.

C Specifically:

1. Committees will ordinarily assist the Commission by gaining education, considering alternatives and implications, and preparing policy alternatives.

2. Commission committees may not speak or act for the Commission, except when formally given such authority for specific and time-limited purposes.

3. Commission committees cannot exercise authority over staff nor interfere with the delegation from the Commission to the General Manager / CEO.

4. Participation in committee meetings shall be in compliance with the provisions of the Open Public Meetings Act, in that if three or more Commission members are present, then the meeting must be properly noticed as a public meeting.

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5. This policy applies to any group which is formed by Commission action, whether or not it is called a committee. It does not apply to committees formed under the authority of the General Manager / CEO.

Unity of Control

A Only decisions of the Commission acting as a body are binding upon the General Manager / CEO, the General Counsel / CLO, the Auditor, or Treasurer.

B Specifically, in or out of Commission Meetings:

1. Decisions or instructions of individual Commission members are not binding on the General Manager / CEO, General Counsel / CLO, the Auditor, or Treasurer except in instances when the Commission has specifically authorized such exercise of authority.

2. In the case of Commission members requesting information or assistance without Commission authorization, the General Manager / CEO, General Counsel / CLO, the Auditor, or Treasurer must refuse such requests that require, in their opinion, a material amount of staff time or funds, are disruptive to the District, or which may involve a conflict of interest between the District and the Commissioner requesting the information or assistance.

3. Commission members individually may communicate directly with District employees or contractors. However, the Commission as a body and the Commission members will never give direction to persons who report directly or indirectly to the General Manager / CEO, with the exception of the General Counsel / CLO, Auditor, or Treasurer. If individual Commission members are dissatisfied with the response they receive, they may seek resolution through the Commission.

4. The Commission as a body and the Commission members will refrain from evaluating, either formally or informally, the job performance of any District employee other than the General Manager / CEO and General Counsel / CLO.

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Commission-General Manager / CEO Relationship

A The Commission governs Grant County PUD and is the policy-making body of the District. The Commission operates under the provisions of the Revised Code of Washington, Title 54, Title 42 in part, and all other applicable statutes and laws.

B The Commission is responsible for the following:

1. Identifying and defining the purpose, values and vision of the District, along with the results that the District is to achieve, and communicating them in the form of policy.

2. Making certain operational decisions as designated by law.

3. Hiring, evaluating, and terminating the General Manager / CEO.

C The General Manager / CEO is responsible for the following:

1. All operations of the District as well as the business affairs of the District.

2. Achieving the results established by the Commission within the appropriate and ethical standards of business conduct set by the Commission.

3. Enforcing District resolutions, administering directives, staff policies and procedures, hiring and terminating all employees, attending meetings of the Commission and reporting on the general affairs of the District, and

keeping the Commission advised as to the current and future business needs of the District.

4. Appointing a person to serve as the District's Chief Financial Officer. This will be a person with sufficient education and experience to fulfill the duties of the position. Together with the chief financial officer, the General Manager / CEO shall ensure that, to the best of their knowledge and belief, financial reports are complete and reliable in all material respects.

5. Ensuring the smooth continuous operation of the District in the event of the planned or unplanned absence of the General Manager / CEO.

6. Interacting with the public and other utilities and government agencies, pursuant to policies and direction adopted by the Commission.

7. At the direction and oversight of the Commission, the General Manager / CEO and Chief Financial Officer, or their designees, shall jointly serve as the chief liaison with all external audit agencies, shall coordinate the proper independent audit of annual financial statements, and shall ensure that the results and findings of such audits are reported to the Commission. In acting in this capacity, the General Manager / CEO does not relieve the Commission of its oversight responsibility

8. Perform other responsibilities as may be appropriately delegated by the Commission.

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Commission-General Counsel / CLO Relationship

A The General Counsel / CLO provides legal counsel to the District and to the Commission. The General Counsel / CLO reports both to the Commission and to the General Manager / CEO.

B The Commission is responsible for hiring and terminating the General Counsel / CLO.

C The General Counsel / CLO shall advise the Commissioners regarding potential conflict of interest issues or ethical matters. General Counsel shall provide assistance to individual Commissioners in complying with applicable statutes and laws only when such advice does not conflict with the General Counsel's obligations to the District or to specific direction of the Commission.

D The Commission is responsible for evaluating the General Counsel's / CLO's performance. The Commission shall solicit the General Manager / CEO's input in evaluating the performance of the General Counsel.

E With respect to the Commission, the General Counsel / CLO shall:

1. Give his or her advice or opinion whenever he or she deems it necessary or when required by the Commission.

2. Inform the Commission of material legal issues impacting the District or the Commission.

3. When necessary, act independently of the General Manager / CEO.

4. Provide counsel to the Commission and individual Commission members with regard to conflict of interest issues.

5. Provide counsel to the Commission and individual Commission members with regard to other ethical matters.

6. Assist the Commission members in complying with and interpretation of applicable statutes, laws, and regulations.

7. The General Counsel / CLO shall not provide legal counsel to Commission members except as it relates to their role as Grant County PUD Commission members.

Commission Relationship w/ Auditor and Treasurer

A The District Auditor (Auditor) and District Treasurer (Treasurer) serve in the capacity set forth by Title 54 of the Revised Code of Washington.

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B The Commission is responsible for appointing or removing the Auditor and the Treasurer. The Commission, by resolution, shall designate an Auditor and this person shall be a District employee other than the General Manager / CEO or Treasurer. The Commission, by resolution, shall designate a person other than the County Treasurer to be District Treasurer and this person shall be a District employee other than the General Manager / CEO or Auditor. The Auditor and Treasurer shall perform those duties specified by RCW 54.24.010 and shall be granted direct access to the Commission at the request of the Auditor, Treasurer or Commission, but not less than quarterly in the performance of these duties.

C The Auditor and Treasurer shall report to the Chief Financial Officer for all administrative matters, including hiring, performance evaluations, salary administration, employee benefits, and terminations.

D The Treasurer or Deputy Treasurer shall provide quarterly reports to the Commission summarizing cash and investment activity, and provide other reports to the Commission as necessary related to the duties of the Treasurer or as requested by the Commission.

E The Auditor or Deputy Auditor shall issue warrants for claims against the District. As soon as practical after issuance of such warrants, the Auditor shall provide a list of all warrants issued, and shall certify to the Commission that such disbursements satisfy just, due and unpaid obligations of the District, in a manner specified by the State Auditor.

F If the Commission disapproves a paid claim on the District, the Auditor will request the Treasurer to recognize the claim as a receivable. The Treasurer and Auditor will pursue collection.

G The Auditor shall develop an annual audit plan, and conduct audits contained within the plan or other audits as may be requested by the Commission. The Auditor shall report to the Commission on the progress and results of such audits at least semi-annually. The Auditor, in the performance of his or her duties, shall

have unlimited access to all activities, records, property and personnel of the District.

Delegation to the General Manager / CEO

A In accordance with RCW 54.16.100, the General Manager / CEO is the chief administrative officer of the District, in control of all administrative functions and shall be responsible to the Commission for the efficient administration of the affairs of the District placed in his or her charge. In the absence or temporary disability of the General Manager / CEO, the General Manager / CEO shall, with the approval of the President of the Commission, designate some competent person as Acting Manager.

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The General Manager / CEO may attend all meetings of the Commission and its committees, and take part in the discussion of any matters pertaining to the duties of his or her department, but shall have no vote.

The General Manager / CEO shall carry out the orders of the Commission, and see that the laws pertaining to matters within the functions of his or her department are enforced; keep the Commission fully advised as to the financial condition and needs of the districts; prepare an annual estimate for the ensuing fiscal year of the probable expenses of the department, and recommend to the commission what development work should be undertaken, and what extensions and additions, if any, should be made during the ensuing fiscal year, with an estimate of the costs of the development work, extensions, and additions; certify to the Commission all bills, allowances, and payrolls, including claims due contractors of public works; recommend to the Commission compensation of the employees of his or her office, and a scale of compensation to be paid for the different classes of service required by the district; hire and discharge employees under his or her direction; and perform such other duties as may be imposed upon the manager by resolution of the Commission.

B The General Manager / CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities to achieve the goals set forth by the Commission for the District.

C The Commission shall develop policies that define the delegation to the General Manager / CEO with regard to the General Manager / CEO's authority.

D The General Manager / CEO must bring to the Commission's attention circumstances that affect the goals established by the Commission and may request the Commission to take appropriate actions.

E The Commission may change its delegation to the General Manager / CEO at any time, thereby expanding or limiting the authority of the General Manager / CEO. Whenever a particular delegation is in place, the Commission will abide by the General Manager / CEO's decisions in those areas that are delegated to him or her.

Budget & Procurement Authority

A The Commission, by resolution, shall approve the District's budget prior to the start of each fiscal year.

B By resolution, the Commission shall set forth the authority of the General Manager / CEO to manage and expend District funds in accordance with financial policies and budgetary limits. Procurement of goods and services shall take place in accordance with applicable legal requirements in a fair, competitive and inclusive manner to maximize the benefit to the District's ratepayers/customers.

C The General Manager / CEO shall establish procurement controls that provide reasonable assurance that the procurement of goods and services are made for a valid business purpose and within authorized budget levels.

D It is District policy that all procurement decisions be made free from actual or perceived conflicts of interest consistent with the District's Code of Ethics.

E It is District policy that due diligence and prudent judgment be exercised in the making of procurement decisions, including conducting a risk assessment. If the General Manager / CEO reasonably determines that a procurement activity presents, regardless of the size of the financial commitment, either (i) a unique and significant operational risk to the District; or (ii) a significant impact to customers, the General Manager / CEO shall inform the Commission.

Financial Policies

A The Commission, by resolution, shall adopt financial policies that provide guidance to the General Manager / CEO and Chief Financial Officer in managing the finances of the District and in developing budgets, financial plans and rates. At a minimum, these policies shall 1) provide for sufficient liquidity relative to the District's risk profile, 2) provide for adequate coverage to meet debt covenants, 3) establish criteria for debt and rate - financed capital expenditures, 4) require that budgets be developed based on conservative and prudent assumptions consistent with standard industry practice, and 5) establish budgetary and procurement controls over expenditures.

Amendment of These Rules

A These rules may be amended or new rules adopted by a majority vote of the whole Commission, provided that the proposed amendments or new rules have been introduced into the record at a prior Commission meeting.

For Commission Review – 3/23/2021

RESOLUTION NO. XXXX

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 170-10711, FOR SUPPLYING DISTRIBUTION TRANSFORMERS

R e c i t a l s

1. Bids were publicly opened on January 19, 2021 for Contract 170-10711, for Supplying Distribution Transformers;

2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD's staff;

    - General Pacific, Inc. Bidding Howard Industries
    - Wesco Distribution, Inc. Bidding Power Partners/ABB
    - Electric Research & Manufacturing Cooperative, Inc. (ERMCO)
    - Anixter, Inc. Bidding Eaton/Cooper
    - WEG Transformer USA
    - Central Moloney

3. Bids were evaluated by transformer type for commercial and technical compliance;

4. The low bid for Bid Item Nos. 1-15, submitted by Anixter, Inc. is both commercially and technically compliant with Grant PUD's contract requirements;

5. The low bid for Bid Item Nos. 16-20, submitted by Wesco Distribution, Inc. is rejected due to technical noncompliance;

6. The second low Bid for Bid Item Nos. 16-20 and the low Bid for Bid Item Nos. 21-34, submitted by General Pacific, Inc. is both commercially and technically compliant with Grant PUD's contract requirements;

7. The low commercially and technically compliant Bids are less than the Engineer's Estimate of:

    - $1,598,215.00 for Bid Item Nos. 1-15
    - $737,145.00 for Bid Item Nos. 16-20
    - $2,565,529.00 for Bid Item Nos. 21-34; and

8. Grant PUD's Senior Manager of Power Delivery Construction and Maintenance and Managing Director of Power Delivery concur with staff and recommend award to Anixter, Inc. and General Pacific, Inc. as the lowest responsible and best bids 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 the following contracts for Supplying Distribution Transformers:

- Contract 170-10711A: Anixter Inc. of Portland, Oregon, Bidding Eaton Cooper Power Systems, is awarded Bid Item Nos. 1 through 15 for a total Contract not to exceed amount of $1,137,165.00 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD's Counsel.

- Contract 170-10711B: General Pacific, Inc. of Fairview, Oregon, Howard Industries, is awarded Bid Item Nos. 16 through 34 for a total Contract not to exceed amount of $2,788,081.00 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD's Counsel.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 13th day of April, 2021

_____
President

ATTEST:

_____ _____
Secretary Vice President

_____ _____
Commissioner Commissioner

M E M O R A N D U M March 3, 2021

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Richard Wallen, Chief Operations Officer
Jeff Grizzel, Managing Director of Power Delivery
Jesus Lopez, Senior Manager of Power Delivery Engineering
Tom Schwiesow, Distribution Systems Supervisor

FROM: Kyle Robillard, Project Manager

SUBJECT: Award of Contracts 170-10711A and 170-10711B for Supplying Distribution Transformers

Purpose: To request Commission approval to award Contracts 170-10711A and 170-10711B to two vendors to supply distribution transformers in the not to exceed amount of $3,925,246.00, plus sales tax.

Discussion: This Contract will supply distribution transformers for new line extensions, new customer requests, upgrading and/or replacement of existing distribution transformers and inventory for use due to storm damage. Manufacturers are pre-approved and their transformer designs must meet or exceed the current District technical specifications and the current Federal Department of Energy (DOE) efficiency requirements.

The previous distribution transformer contract ended in December of 2020 leaving a need to award a new contract to supply distribution transformers for use on our system.

The district opened bids on January 19, 2021 at 2:00 PM Pacific. The following bids were received:

Bidders	Single Phase Pole Mounted Transformers (Bid Items 1-15)	Single Phase Pad Mounted Transformers (Bid Items 16-20)	Three Phase Pad Mounted Transformers (Bid Items 21-34)
Anixter Inc. (Eaton Cooper)	$1,137,165.00	$754,800.00	$2,840,585.00
General Pacific (Howard Industries)	$1,396,869.00	$619,955.00	$2,168,126.00
Wesco (ABB)	$1,227,641.00	$589,335.00	$2,477,634.00
WEG	No Bid	No Bid	$2,600,944.00
ERMCO	$1,396,013.00	$662,260.00	$2,320,084.00
Central Maloney	Did Not Include Bid Form in Bid	Did Not Include Bid Form in Bid	Did Not Include Bid Form in Bid
Engineers Estimate	$1,598,218.00	$737,145.00	$2,565,529.00

The following table compares the average cost per unit proposed by bidders on this contract (170-10711) against the previous two District contracts from 2015 and 2016.

Description	170-3932R (2015)		170-4212 (2016)		170-10711 (2021)	
	Qty	Unit Cost	Qty	Unit Cost	Qty	Unit Cost
Single Phase Pole Mounted Transformers						
25kVA	150	$848	150	$794	300	$867
37.5kVA	100	$992	100	$955	150	$1,052
Single Phase Padmounted Transformers						
25kVA	75	$1,638	75	$1,351	50	$1,628
50kVA	40	$1,945	40	$1,708	60	$2,014
Three Phase Padmounted Transformers						
150kVA	20	$8,052	20	$6,780	10	$8,854
300kVA	20	$9,867	20	$8,499	65	$10,527
500kVA	30	$11,675	30	$10,138	50	$12,731

This Contract allows the District to evaluate and award separate Contracts by type of transformer:

- Bid Item Nos. 1-15 are single phase pole mounted distribution transformers.
- Bid Item Nos. 16-20 are single phase pad mounted distribution transformers.
- Bid Item Nos. 21-34 are three phase pad mounted distribution transformers.

All Bids were evaluated for commercial and technical compliance, which includes total bid price by type of transformer, Bidder's Data, as well as specifications and specified delivery dates. This Contract uses estimated quantities for each Bid Item versus set quantities to prevent over and/or under purchasing quantities of the various sizes, as the demand varies, throughout the life of the Contract.

Anixter Inc. (Eaton Cooper) was the lowest bid for the single phase pole mounted transformers (bid items 1-15) and were found to be both commercially and technically compliant.

Wesco Distribution (Power Partners/ABB) was the lowest bid for the single phase pad mounted transformers and was found to be commercially compliant. However, they were found to be NOT technically compliant on several aspects of our Technical Specification for single phase pad mounted transformers. This includes but is not limited to following:

- Not providing secondary connection blocks which the district would in turn have to purchase and install on every transformer.
- Providing a different High Voltage Bushing than our technical specification states which in turn would cause the District to purchase and stock an entirely new item for the purposes of replacement.

Due to their technical non-compliance it is my recommendation to NOT award the single phase pad mounted transformer contract (bid items 16-20) to Wesco Distribution (Power Partners/ABB).

General Pacific (Howard Industries) was the second lowest bid for the single phase pad mounted transformers (bid items 16-20) and were found to be both commercially and technically compliant.

General Pacific (Howard Industries) was the lowest bid for the three phase pad mounted transformers (bid items 21-34) and were found to be both commercially and technically compliant.

Justification: Distribution transformers are a key part of the infrastructure the District installs for supplying electric service to its customers. This Contract allows the District to procure and keep in stock a variety of different types and sizes of distribution transformers, which shall be installed as new infrastructure for load growth and/or as replacement of existing infrastructure due to upgrading or repairing of damaged infrastructure.

If not approved, the District would run out of distribution transformers therefore not being able to connect new customers or replace damaged equipment.

The previous contract for supplying distribution transformers ended in December of 2020. Limited inventory is on hand and this Contract is needed to maintain appropriate transformers in stock.

Financial Considerations: This contract was a competitively bid contract and will be awarded to the lowest bidder that meets all commercial and technical compliance for each section of bid items. The bid prices and the Engineers Estimate can be reviewed in the table above. All bids came back within an acceptable range of the Engineers Estimate.

Contract Specifics: Contract 170-10711 contains 34 bid items broken into three bid sections.

- Bid Item Nos. 1-15 are single phase pole mounted distribution transformers.
  Power Delivery Engineering estimates a need for as many as 1209 transformers in this category through 2025 with the obligation to purchase ten 25 kVA 120/240V transformers to be delivered no later than 20 weeks after receipt of initial purchase order.
- Bid Item Nos. 16-20 are single phase pad mounted distribution transformers.
  Power Delivery Engineering estimates a need for as many as 335 transformers in this category through 2025 with the obligation to purchase five 25 kVA 120/240V transformers to be delivered no later than 24 weeks after receipt of initial purchase order.
- Bid Item Nos. 21-34 are three phase pad mounted distribution transformers.
  Power Delivery Engineering estimates a need for as many as 197 transformers in this category through 2025 with the obligation to purchase three 500kVA 277/480V transformers to be delivered no later than 20 weeks after receipt of initial purchase order.

Recommendation:

1) Contract 170-10711A: Recommend Commission award Contract 170-10711A Supplying Distribution Transformers (bid items 1-15) to Anixter Inc. (bidding Eaton Cooper) to supply single phase pole mounted transformers for a not to exceed contract price of $1,137,165.00, plus sales tax.

2) Recommend Commission NOT award Wesco Distribution (bidding Power Partners/ABB) the single phase pad mounted transformers (bid items 16-20) due to their technical non-compliance.

3) Contract 170-10711B: Recommend Commission award contract 170-10711B Supplying Distribution Transformers (bid items 16-34) to General Pacific (bidding Howard Industries) to supply single phase pad mounted transformers and three phase pad mounted transformers for a not to exceed contract price of $2,788,081.00, plus sales tax.

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

From:	Jesus Lopez
To:	Jeff Grizzel; Patrick Bishop; Tom Schwiesow; Kyle Robillard
Cc:	Sharon Lucas; Darlene Brooks
Subject:	RE: 170-10711 - Supplying Distribution Transformers - approval to move to the Commission Packet
Date:	Thursday, March 4, 2021 9:50:29 AM

I have reviewed and approve of the memo. I concur with Jeff's comments regarding timeliness but also appreciate the work that has gone into contract development. Thanks for your work Kyle and Pat.

Jesus

From: Jeff Grizzel <Jgrizzel@gcpud.org>
Sent: Thursday, March 4, 2021 8:04 AM
To: Patrick Bishop <Pbishop@gcpud.org>; Tom Schwiesow <Tschwie@gcpud.org>; Kyle Robillard <krobillard@gcpud.org>
Cc: Sharon Lucas <Slucas@gcpud.org>; Darlene Brooks <Dbrooks@gcpud.org>; Jesus Lopez <Jlopez@gcpud.org>
Subject: RE: 170-10711 - Supplying Distribution Transformers - approval to move to the Commission Packet

Thank you Pat. I approve of the memo.

Tom/Kyle – nice job on the memo. I particularly appreciate the per unit cost comparison you included. One of the most common questions Commissioners ask is "how does the cost of this contract compare to previous contracts", so thank you for being proactive and answering that question even before it's asked. My only request is that going forward, let's keep an eye on the contract expiration date and be sure we plan ahead and award the next contract prior to the current one ending. I don't like to be in a situation where we don't have a contract in place for critical parts like transformers. I realize we may have sufficient inventory to meet expected demand but we never know when we may have a major storm here in the county that could deplete our inventory or when a neighboring utility may be in a similar situation and request our assistance in supplying them with transformers.

Thanks for your work in getting these contracts in place.

Jeff

From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Thursday, March 4, 2021 7:56 AM
To: Tom Schwiesow <Tschwie@gcpud.org>; Jesus Lopez <Jlopez@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>
Cc: Sharon Lucas <Slucas@gcpud.org>; Darlene Brooks <Dbrooks@gcpud.org>; Kyle Robillard <krobillard@gcpud.org>
Subject: RE: 170-10711 - Supplying Distribution Transformers - approval to move to the Commission Packet

Jeff and I just talked and we have revised the Subject and Purpose sections of the Memo to make it clearer that we are awarding two separate contracts. The language in the memo was revised to split 170-10711 in to 170-10711A and 170-10711B.

From: Patrick Bishop
Sent: Thursday, March 4, 2021 7:22 AM
To: Tom Schwiesow <Tschwie@gcpud.org>; Jesus Lopez <Jlopez@gcpud.org>; Jeff Grizzel <Jgrizzel@gcpud.org>
Cc: Sharon Lucas <Slucas@gcpud.org>; Darlene Brooks <Dbrooks@gcpud.org>; Kyle Robillard <krobillard@gcpud.org>
Subject: FW: 170-10711 - Supplying Distribution Transformers - approval to move to the Commission Packet

Good morning,

Legal has approved the staff recommendation for Contract awards to General Pacific, Inc. and Anixter, Inc. for submission to the Commission Packet. Since we are working remotely, can Tom, Jesus, and Jeff please respond to this email with their approval to proceed? This will serve as initialing the Commission Memo. The deadline for submission to the Packet is Wednesday March 10th at 11:30 a.m. I understand Tom is on PL so if he is unable to review approvals from Jesus and Jeff will suffice. Thank you all.

From: Mitchell Delabarre <Mdelaba@gcpud.org>
Sent: Wednesday, March 3, 2021 5:20 PM
To: Patrick Bishop <Pbishop@gcpud.org>
Cc: Carol Mayer <Cmayer@gcpud.org>
Subject: RE: 170-10711 - Supplying Distribution Transformers - Legal review of Commission Memo and draft Resolution

The resolution is approved for consideration by the Commission.
Mitch

Mitchell P. Delabarre
General Counsel
Grant PUD
mdelaba@gcpud.org
509 793-1565

The information contained in this e-mail message is privileged, confidential and protected from disclosure. If you are not the intended recipient, dissemination, distribution or copying of the information contained herein is strictly prohibited. If you think you have received this e-mail message in error, please reply to mdelaba@gcpud.org or call (509) 793-1565.

From: Patrick Bishop <Pbishop@gcpud.org>
Sent: Wednesday, March 3, 2021 4:19 PM

To: Mitchell Delabarre <Mdelaba@gcpud.org>
Cc: Carol Mayer <Cmayer@gcpud.org>
Subject: 170-10711 - Supplying Distribution Transformers - Legal review of Commission Memo and draft Resolution

Mitch,

PD Engineering has selected the following for the next distribution transformer contracts:

- Anixter, Inc. Bidding Eaton/Cooper for Bid Item Nos. 1-15 which are the single phase pole mount type.
- General Pacific, Inc. Bidding Howard Industries for Bid Item Nos. 16-20 which are the single phase pad mount type. Note that General Pacific, Inc. is the second low Bidder for this distribution transformer type. The low Bid submitted by Wesco Distribution Bidding Power Partners/ABB was deemed technically noncompliant.
- General Pacific, Inc. Bidding Howard Industries for Bid Item Nos. 21-34 which are the three phase pad mount type.

Can the draft Commission Memo and draft Resolution please be reviewed for Legal concurrence? They can be found here along with the Commercial/Technical Evaluation form.

Thank you.
Pat

COMMERCIAL EVALUATION

Contract No.:	170-10711	**Contract Title:**	Supplying Distribution Transformers

Bid Opening Date			January 19, 2021
Total No. of Bidders:			6
Was prequalification required for bidding?			No
No. of potential Bidders notified via ProcureWare of Bid opportunity:			N/A
No. of potential Bidders who obtained the Bid documents:			55
Was this Bid advertised in the newspaper?	Yes	**If yes, where?**	Grant County & Spokane, WA
Addenda issued?	Yes	**If yes, how many**	6

Additional Information

Cost Estimate:	**Total - $4,900,892.00** **Bid Item Nos. 1-15 – $1,598,215.00** **Bid Item Nos. 16-20 – $737,145.00** **Bid Item Nos. 21-34 - $2,565,529.00**

Bidders

Name of Bidder:	General Pacific, Inc. Bidding Howard Industries		
Total Bid Price: **Bid Item Nos. 1-15** **Bid Item Nos. 16-20** **Bid Item Nos. 21-34**	$4,184,950.00 $1,396,869.00 $619,955.00 $2,168,126.00	**Bid Security:**	Bid Bond
Signature Certification:	NA	**Delivery / Completion:**	As required
Addendum Received:	Yes	**Bidder's Data Provided:**	Yes
Commercially Compliant?	Yes	**Technically Compliant?**	Yes

Additional Information:

Name of Bidder:	Wesco Distribution, Inc. bidding Power Partners/ABB		
Total Bid Price: **Bid Item Nos. 1-15** **Bid Item Nos. 16-20** **Bid Item Nos. 21-34**	$4,294,610.00 $1,227,641.00 $589,335.00 $2,477,634.00	**Bid Security:**	Bid Bond
Signature Certification:	NA	**Delivery / Completion:**	As required
Addendum Received:	Yes	**Bidder's Data Provided:**	Required data provided

Commercially Compliant?	Yes	**Technically Compliant?**	No (see add'l information)

Additional Information:

- Bidder does not comply with providing secondary connection blocks which the District would in turn have to purchase and install on every transformer.
- Bidder does not comply with providing a different High Voltage Bushing than our technical specification states which in turn would cause the District to purchase and stock an entirely new item for the purposes of replacement.

Name of Bidder:	Electric Research & Manufacturing Cooperative (ERMCO)		
Total Bid Price: **Bid Item Nos. 1-15** **Bid Item Nos. 16-20** **Bid Item Nos. 21-34**	$4,378,357.00 $1,396,013.00 $662,260.00 $2,320,084.00	**Bid Security:**	Bid Bond
Signature Certification:	NA	**Delivery / Completion:**	As required
Addendum Received:	Yes	**Bidder's Data Provided:**	Required data provided
Commercially Compliant?	Yes	**Technically Compliant?**	Yes

Additional Information:

- Diane Kern signed for the Surety but is not listed on the Power of Attorney otherwise Bid is commercially compliant.

Name of Bidder:	Anixter Inc. bidding Eaton/Cooper		
Total Bid Price: **Bid Item Nos. 1-15** **Bid Item Nos. 16-20** **Bid Item Nos. 21-34**	$4,732,550.00 $1,137,165.00 $754,800.00 $2,840,585.00	**Bid Security:**	Bid Bond
Signature Certification:	NA	**Delivery / Completion:**	As required
Addendum Received:	Yes	**Bidder's Data Provided:**	Yes
Commercially Compliant?	Yes	**Technically Compliant?**	Yes

Additional Information:

- Bidder states there is a 2% adder on to the price of the line item and additional 2 week lead time when covered shipping is required. Further, there is a 1% adder on to the price of the line item when washing is required. Note: the District requested clarification on these adders and the Bidder has retracted them and will comply with the District's solicitation documents.

Name of Bidder:	WEG Transformers USA		
Total Bid Price: **Bid Item Nos. 1-15** **Bid Item Nos. 16-20** **Bid Item Nos. 21-34**	$2,600,944.00 $0.00 $0.00 $2,600,944.00	**Bid Security:**	Bid Bond
Signature Certification:	NA	**Delivery / Completion:**	As required
Addendum Received:	Yes	**Bidder's Data Provided:**	Yes

Commercially Compliant?	No (see below)	**Technically Compliant?**	No (see add'l information)

Additional Information:

- Bidder states freight terms are FOB their factory; freight allowed. The District's freight terms specified in Section SR-3 is FOB the District's warehouse.
- Bidder states that their Warranty terms are exclusive and in lieu of all other warranties. Although it appears that their Warranty language is essentially equivalent to the District's Section GC-9, the District's language shall prevail.
- Bidder has added a Limitation of Liability clause.
- Bidder is not a Standards approved manufacturer to supply distribution transformers to the District.

Name of Bidder:	Central Moloney		
Total Bid Price: **Bid Item Nos. 1-15** **Bid Item Nos. 16-20** **Bid Item Nos. 21-34**	$0.00 $0.00 $0.00 $0.00	**Bid Security:**	Bid Bond
Signature Certification:	NA	**Delivery / Completion:**	As required
Addendum Received:	Yes	**Bidder's Data Provided:**	Required data provided
Commercially Compliant?	No (see below)	**Technically Compliant?**	Did not evaluate

Additional Information:

- Bidder did not provide 170-10711 - Exhibit "A" – Bid Form.xlsx so no pricing was provided with the Bid package.
- Bidder submitted their Bid prior to Addendums 5 & 6 being issued. Bidder stated that the revised technical specifications detailed in Addendum No. 6 did not change their Bid. Since the District added these Addendums close to the Bid Due Date, acknowledgment of the Addendums was accepted by email.

For Commission Review – 03/23/2020

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10804 with Star Protection Agency, in an amount not-to-exceed $4,000,000.00 and with a contract completion date of July 2, 2024.

xxxx

M E M O R A N D U M

January 12, 2021

TO: Kevin Nordt, General Manager/Chief Executive Officer

VIA: Jeff Bishop, Chief Finance Officer
Kevin McCarthy, Senior Manager of Internal Services

FROM: Fallon Long, Security Manager

SUBJECT: Contract 430-10804 Professional Security and Security Patrol Services

Purpose:

Request Commission award of Contract 430-10804 to Star Protection Agency for Professional Security and Security Patrol Services for a not-to-exceed three-year contract amount of $4,000,000.

Discussion:

Grant PUD has utilized contracted security services since 2012. The current 6-month contract with Star Protection Agency No. 430-10561 expires on July 2, 2021.

The District conducted a Request for Proposal for Professional Security Services and received a response from 7 service providers (listed below by rating highest to lowest):

1. Star Protection Agency
2. G4S Secure Solutions
3. Pacific Security Services
4. Allied Universal (AUS)
5. Oatridge Security Group
6. American Guard Services
7. Phoenix Protective Corp.

The internal review team was made of individuals from Security (Fallon Long, George Hainer), Emergency Management (Dave Ponozzo), Lands & Recreation (Jerri Mickle), Power Delivery (Chris Heimbigner) and Internal Services (Michelle Grout).

All proposals were evaluated fairly and based on the following criteria:

1. General Qualifications
    a. Management Plan
    b. Capabilities of Firm
    c. Response Time
2. Technical Qualifications & Experience
    a. Client List and References
    b. Equivalent Projects & Services
    c. Key Personnel Qualifications & Experience

d. Support Services Capabilities

3. Accessibility to the District & Project Sites
4. Rates

Based on the District's assessment, we would like to award the contract to Star Protection Agency beginning July 2nd, 2021 thru July 2nd, 2024.

The security guards perform all their duties on-site across the District and are a representation of Grant PUD when working with the public. Their service level and values should mirror the values we strive for. It is important to select the right company that understands the District's needs and we feel Star Protection Agency will meet our expectations.

About the District's Security Program

Security guards are responsible for:

- Asset Protection
- Response
- Surveillance and patrols (219 cameras and 306 access points)
- Incident tracking and reporting (unsecured access points, suspicious activities, burglar alarms, etc.)
- De-escalation
- Personnel standbys (HR disciplinary, management support, etc.)

Security coverage is spread out across the District to include:

- Ephrata: a single guard 50 hours per week, Monday – Friday
- Moses Lake Local Office: a single officer 50 hours per week Monday – Friday.
- District Security Operations Center a single guard, 24/7.
- Priest Rapids Dam: a single guard to support Priest Rapids Dam, Wanapum Indian Village,
- Wanapum Dam and nearby recreation sites.
    - HOB: a single guard 24/7 to support HOB, Wanapum Dam, Wanapum Maintenance Center,
    - Wanapum Switchyard and nearby recreation sites.
- T&D Mobile Patrol: a single guard 56 hours per week.

Seasonal Guards:

The security Department has provided contract guard coverage to patrol recreation sites and assist District staff in enforcing recreation sites. The nature of this coverage is very dynamic, driven by anticipated recreation site use and adjusted accordingly.

Justification:

Star Protection Agency's reputation in the industry differentiates themselves from their competitors in quality service and training, professionalism, leadership involvement, investment in their employees and dedicated support to their clients. Their professionalism and expertise are what we are looking for in providing security services.

Star Protection Agency was most qualified based on the following review:

- Engagement from the corporate level of Star Protection
- Quality in Quarterly Business Reviews
    - Financial review
    - Personnel review and turnover report
    - Training
- We are provided contact information and scheduled time with chain of command
- Transparency on incidents
- Flexible on expanding or eliminating services based on District needs

Star Protection Agency views training as a vital piece to their operations. Some of the trainings included are:

- Professional Training
- Emergency Preparedness (Fire Safety, Floor/Building Warden, Earthquake Preparedness, Civil Unrest, Active Shooter Defenses, Bomb Threat Awareness, Riverine Training)
- Red Cross Certified Training (CPR/AED, Basic First Aid)
- De-escalation and Workplace Safety (AVADE, MOAB)
- Report Writing

Financial Considerations:

The not-to-exceed amount for this Contract is $4,000,000. The Contract term is through July 2nd, 2024. Star Protection Agency rates were compared to the current service provider and their rates were found to be fair and reasonable (within 3% of the existing contract).

Cost on annual basis:

Contract Company	Annual Cost
Star Protection Agency	$1,122,949.66

The contract is committed to bringing value to the District operations and utilize our diverse force to bring on functions that save dollars and resource allocations such as after-hours support, potential riverine support and compliance support. Recently acquired responsibilities include providing after-hours support for fiber outage calls and creation of tickets as well as after-hours service desk ticket creation. The after-hours transfer of duties has saved an average of $235,000 per year by having DSOC perform these tasks. Security will continue to explore additional opportunities across the District to create cost savings and bring value to the District.

Other Options Considerations:
The District considered alternative options outside of working with a contractor however, in order to meet compliance obligations without guard services, the District would need to hire approximately 18 internal employees. This option reduces flexibility and scalability of the guard force and is more expensive.

Contract Specifics:

- This Contract will remain in effect until July 2nd, 2024 or District may terminate the Contractor's services in part or in its entirety any time pursuant of Section 17 of the Contract.
- Compensation for services rendered and all reimbursable costs shall be per the rates set forth in *Appendix "A" Rate Schedule*. Any changes to rates and costs shall only be on a prospective basis and shall occur no more frequently than once every 12 months thereafter. Each such change shall not exceed the lesser of i) 3% or ii) the percentage increase in the Bureau of Labor Statistics Consumer Price Index (CPI-U).

Recommendation:

Recommend Commission award of Contract No. 430-10804 to Star Protection Agency for a not-to-exceed Contract amount of $4,000,000.

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

From: Kevin McCarthy
To: Fallon Long
Cc: Guy Wanner
Subject: Re: 1.12 Security Memo for Security Services
Date: Wednesday, January 20, 2021 8:26:23 AM
Attachments: image001.jpg

I approve!

Sent from my iPhone

> On Jan 20, 2021, at 8:23 AM, Fallon Long <flong@gcpud.org> wrote:
>
> Could you please reply and note that you approved the commission memo for tracking? I can resend if you would like.
>
> Thank you,
>
> Fallon
>
> ---
>
> **From:** Fallon Long
> **Sent:** Tuesday, January 12, 2021 11:05 AM
> **To:** Guy Wanner <gwanner@gcpud.org>
> **Subject:** FW: 1.12 Security Memo for Security Services
>
> Guy, here is the commission memo and approved by Jeff Bishop for the Security Services Contract.
>
> Thank you,
>
> Fallon
>
> ---
>
> **From:** Jeffrey Bishop <jbishop@gcpud.org>
> **Sent:** Tuesday, January 12, 2021 11:03 AM
> **To:** Fallon Long <flong@gcpud.org>
> **Cc:** Kevin McCarthy <kmccarthy@gcpud.org>; Melissa Leonard <mleonard1@gcpud.org>
> **Subject:** FW: 1.12 Security Memo for Security Services
>
> Looks great, thank you for the chance to review. Please feel free to move forward with submitting to the Commission packet.
>
> ---
>
> **From:** Fallon Long <flong@gcpud.org>

Sent: Tuesday, January 12, 2021 9:15 AM
To: Jeffrey Bishop <jbishop@gcpud.org>; Kevin McCarthy <kmccarthy@gcpud.org>
Subject: 1.12 Security Memo for Security Services

I added the names of the District's review team as well as a list of the companies who responded to the RFP.

Please let me know if you would like to see anything else. Once given the green light, we will submit for next steps in contract process.

Thank you both!

Fallon

Fallon Long
Security Manager
Security and Emergency Management Department
Office 509-754-7207 x3190 / Cell 206-637-1647

AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement, effective upon full execution, is by and between Public Utility District No. 2 of Grant County, Washington ("District") and Star Protection Agency, LLC ("Contractor");

R e c i t a l s :

The District desires to obtain Professional Security Guard and Security Patrol Services; and

The District's Senior Manager of Internal Services believes such services will reduce the District's risk of damage incurred by vandalism and theft, while serving as a deterrent to the activities of domestic and international terrorists; and

The Contractor, through an established review procedure, has been selected and is willing to provide services on the terms and conditions hereinafter stated.

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties hereto agree as follows:

1. Scope of Services

Effective 6:00 a.m. on July 2, 2021, the contract for Professional Security Guard and Security Patrol Services is anticipated to include, but not be necessarily limited to the following:

A. Scope of Services

1. Contractor shall provide unarmed uniformed security guard and security patrol services in and around the District facilities and properties. Contractor will provide a variety of services, implementing District security objectives according to policies and procedures which may include but not limited to the following tasks: 24/7 entry and egress access control, roving patrols both foot and vehicle of interior and exterior building and site areas, incident and daily operating reports, alarms, fire and intrusion detection equipment, responding as necessary to support other life safety duties and asset protection as identified in post orders and standard operating procedures.

2. Contractor shall provide appropriate and necessary management and supervision for all Contractor's employees and shall be solely responsible for instituting and invoking disciplinary action of employees not in compliance with Contractor rules and regulations, as well as any other policy established by the contracting parties.

3. Contractor shall work with District Security to develop a comprehensive set of Post Orders documenting both general procedures as well as site-specific responsibilities. Post Orders shall be prepared prior to the commencement of the Contract and must be reviewed and approved by the District Security Manager within 30 days from commencement of Contractor services. All security officers will be required to read and verify they understand the Post Orders at a minimum, and shall be tested during the On-The-Job Training (OJT) period, annually or more frequently during site inspections.

4. Contractor shall present qualified candidates to District Security prior to placing employee on site.

5. Contractor is responsible for the daily personnel appearance of security personnel. Contractor shall work with District Security to select and procure seasonal uniforms and weather-appropriate protective clothing necessary to support continuous performance of Contract requirements. Officers must be attired in uniforms which will create a favorable image on behalf of the District. Security officers are prohibited from carrying weapons of any kind, including but not limited to, firearms, nightsticks, martial arts weapons or equipment, batons or any chemical agent spray or liquid.

6. Contractor shall agree to remove from the site, whenever required to do so by the District Security Manager, any employee considered by the District Security Manager to be unsatisfactory, within the limits of any applicable laws.

7. Contractor shall administer all cost accounting and billing relative to this Contract as per District instruction. The Contractor must submit the billing spreadsheet with each invoice. The invoice will not be paid without the billing spreadsheet.

8. Contractor shall respond as necessary to accommodate additional duty hours as requested by the District Security Manager or Supervisor.

9. Breakdown of Services

   a. Priest Rapids Hydro Project

      1) Contractor shall staff one guard position 24 hours per day, seven days per week that will provide visitor management services at the Hydro Office Building during business hours and patrol Wanapum Dam and recreation facilities outside business hours.
      2) Contractor shall staff one guard position 24 hours per day, seven days per week that will patrol Priest Rapids Dam and recreation facilities.
      3) The guards will observe and report, deter and/or detect activities potentially detrimental to the District's personnel, operations, and assets.
      4) Contractor will provide each assigned guard with a vehicle clearly marked as security patrol. Potential weather conditions and response areas are best served by 4WD or AWD vehicles.

   b. Ephrata Headquarters

      1) Contractor shall staff one guard position 10 hours per weekday, that will provide visitor management services at the Ephrata Headquarters building during business hours and respond to security incidents as needed.
      2) The guard will observe and report, deter and/or detect activities potentially detrimental to the District's personnel, operations, and assets.
      3) Contractor will provide each assigned guard with a vehicle clearly

marked as security patrol. Potential weather conditions and response areas are best served by 4WD or AWD vehicles.

c. District Security Operations Center (DSOC)

1) Contractor shall staff one guard position 24 hours per day, seven days per week that will monitor District electronic access control and surveillance systems.
2) The guard will observe and report, deter and/or detect activities potentially detrimental to the District's personnel, operations, and assets.
3) The DSOC post will not require a patrol vehicle.

d. Transmission & Distribution (T&D) Patrol

1) Contractor shall staff one guard position eight hours per day, seven days per week that will patrol the electric system and recreation facilities.
2) The guard will observe and report, deter and/or detect activities potentially detrimental to the District's personnel, operations, and assets.
3) Contractor will provide the patrol guard with a vehicle clearly marked as security patrol. Potential weather conditions and response areas are best served by 4WD or AWD vehicles.

e. Moses Lake Local Office (MLLO)

1) Contractor shall staff one guard position 10 hours per weekday, that will provide visitor management services at the Moses Lake Local Office building during business hours.
2) The guard will observe and report, deter and/or detect activities potentially detrimental to the District's personnel, operations, and assets.
3) The MLLO post will not require a patrol vehicle.

f. Account Manager

1) Contractor will provide one Account Manager that will maintain Contractor equipment, conduct administrative tasks, security investigations, coordinate guard activities including patrol routes, training, and provide support to guards on shift.
2) The Account Manager will coordinate all Contract security functions at the District with District Security Management direction and support.
3) The Account Manager will work with the Security Manager and Security Supervisor to complete investigations of all reported security incidents. These investigations will include coordination with law enforcement for evidence preservation, interviews, and written reports.
4) The Account Manager will assist the Security Manager and Security Supervisor in conduct of site security assessments and

development of mitigation and response plans.

5) The Account Manager will observe and report, deter and/or detect activities potentially detrimental to the District's personnel, operations, and assets.

g. Assistant Account Manager

1) Contractor will provide one Assistant Account Manager that will assist in administrative tasks, security investigations, coordinate guard activities including patrol routes, training, and provide support to guards on shift.
2) The Assistant Account Manager will coordinate all Contract security functions at the District with Account Manager direction and support.
3) The Assistant Account Manager will work with the Account Manager, Security Manager and Security Supervisor to complete investigations of all reported security incidents. These investigations will include coordination with law enforcement for evidence preservation, interviews, and written reports.
4) The Assistant Account Manager will assist the Account Manager, Security Manager and Security Supervisor in conduct of site security assessments and development of mitigation and response plans.
5) The Assistant Account Manager will observe and report, deter and/or detect activities potentially detrimental to the District's personnel, operations, and assets.

h. All Posts

1) The District may request additional guards to assist with construction projects and/or for unanticipated protection services at other District facilities.
2) Contractor's personnel shall wear a uniform approved by the District.
3) The District will provide portable radios that shall be used to communicate with the control rooms in the dams. In addition, the Contractor shall supply cell phones for each guard on duty.
4) Contractor, working with the District Security Department, will create Post Orders for each site the Contractor is directed to patrol. Post Orders will detail patrol officer actions to observe, secure, record and report on at each site. Task Orders are specific duties outside of written Post Orders which will be issued by the District or the Contractor.
5) Daily direction for guard personnel shall be received from the Account Manager, Assistant Account Manager, District Security Operation Center, District's Security Manager, the Security Supervisor and/or through written Post Orders or Task Orders
6) Contractor shall utilize a District approved guard communication and incident reporting tool.
7) Guard personnel shall maintain a log of their activities each day that is recorded in the District's guard communication and

incident reporting tool and shall be available at end of shift or each morning or upon request of the Security Manager or Security Supervisor.

8) Guard management and/or guard supervisory personnel shall initialize each guard assignment or personnel change, and, at a minimum, guard management or guard supervisory personnel shall inspect each guard location and activity monthly.

9) Contractor management and District Security shall meet at least quarterly to review reporting, communications, Post Orders and Task Orders, staffing, training, etc.

B. In the event that the District requires the Contractor to perform specific services in addition to the above detailed Scope of Services, the District will authorize the Contractor to perform such work by means of a Task Authorization for Professional Services (Appendix "C") to be signed by both the District and the Contractor. Such authorization may be issued by the District Representative, and will define the scope of the task, any time requirements, and budget limitations.

The District reserves the right to suspend or terminate any authorized task at any time or to extend the Contract beyond the initial term by issuance of a Change Order in accordance with Section 5 to complete any work already initiated and/or authorized under the original term and scope of the Contract.

2. Independent Contractor

A. The Contractor shall operate as, and have the status of, an independent Contractor and will not be an agent or employee of the District nor will it be entitled to any employee benefits provided by the District. All the Contractor's activities will be conducted at its own risk and be in compliance with all federal, state and local laws.

B. The Contractor shall perform its services with the level of skill, care and diligence normally provided by and expected of professional persons performing services similar to or like those to be performed hereunder. Contractor understands that the District will be relying upon the accuracy, competency, credibility and completeness of the services provided by the Contractor hereunder and that the District and its customers will be utilizing the results of such services.

3. Term - Schedule

This Agreement shall remain in full force and effect until 5:59 a.m. on July 2, 2024 or until terminated pursuant to Section 17.

4. Compensation and Payment

A. Compensation for services rendered and all reimbursable costs shall be per the rates set forth in Appendix "A", Rate Schedule, which rates and costs shall not be subject to change until one year after the effective date of this Agreement. Any changes to rates and costs shall only be on a prospective basis and shall occur no more frequently than once every 12 months thereafter. Each such change shall not exceed the lesser of i.) 5% or ii.) the percentage increase in the Bureau of Labor Statistics Consumer Price Index (CPI-U) for the West Urban region occurring during the immediately preceding 12 month period for

which CPI-U data is available. Contractor shall notify the District in writing at least 30 days prior to any such rate increase going into effect. A payment is considered made on the day it is mailed or is sent through electronic or wire transfer.

In no event however, shall the total amount paid to Contractor for services and all reimbursable costs exceed the sum of $4,000,000.00 USD unless a Change Order authorizing the same is issued in accordance with Section 5 below.

B. Contractor shall submit monthly invoices to the attention of:

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

C. Invoices shall include the Contract number and a detailed description of the work performed. Any Labor Categories or reimbursable expenses shall be included on the invoice (see Appendix "A").

D. Payment will be made by the District upon completion of work following District approval of Contractor's invoices. Invoice shall be subject to the review and approval of the District. Invoice shall be in a detailed and clear manner supported by such information the District may require. The District will make payment to Contractor within 30 days after District's receipt and approval of said invoice.

E. The District Representative may approve additional Contractor employees, personnel categories, and/or equipment rates to be added to the Rate Schedule, if applicable, provided that any additional employees have at least equivalent training and skills and are compensated at the same or lower rates than those listed on the current approved Rate Schedule for similar work. There shall be no change in the total Contract not to exceed amount. All additions must be approved in writing prior to performing services under the Contract.

5. Change Orders

Except as provided herein, no official, employee, agent or representative of the District is authorized to approve any change in this Contract and it shall be the responsibility of the Contractor before proceeding with any change, to satisfy himself that the execution of the written Change Order has been properly authorized on behalf of the District. The District's management has limited authority to approve Change Orders. The current level and limitations of such authority are set forth in District Resolution No. 8609 which may be amended from time to time. Otherwise, only the District's Board of Commissioners may approve changes to this Contract.

Charges or credits for the work covered by the approved changes shall be determined by written agreement of the parties and shall be made on Change Order form as reflected on Appendix "B".

When a change is ordered by the District, as provided herein, a Change Order shall be executed by the District and the Contractor before any Change Order work is performed. When requested, Contractor shall provide a detailed proposal for evaluation by the District, including details on

proposed cost. The District shall not be liable for any payment to Contractor, or claims arising there from, for Change Order work which is not first authorized in writing. All terms and conditions contained in the Contract Documents shall be applicable to Change Order work. Change Orders shall be issued on the form attached as Appendix "B" and shall specify any change in time required for completion of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

6. Taxes

A. Except for the Washington State retail sales and use taxes as may be levied upon the Contract, pursuant to RCW Chapters 82.08 and 82.12, the Contract Price includes and the Contractor shall have the full exclusive liability for the payment of all taxes, levies, duties and assessments of every nature due and payable in connection with this Contract or its employees and subcontractors performing work related to this Contract.

B. Washington State retail sales tax and use taxes levied upon this Contract pursuant to RCW Chapters 82.08 and 82.12 are excluded from the rates and if applicable will be reimbursed as follows:

1. If the Contractor has, or is required to have a valid Washington State sales tax identification number, the identification number shall be furnished to the District upon request. The Contractor shall make payment of any Washington State retail sales and use taxes due and Contractor shall be reimbursed by the District for the same. Contractor shall be solely responsible for any interest or penalties arising from late or untimely payment of said taxes.

2. If the Contractor is not required to have a valid Washington State sales tax identification number, it shall notify the District of the same. In such event, the District, after receiving proper invoices from Contractor, shall make payment of said Washington State retail sales and use taxes levied upon this Contract to the Washington State Department of Revenue.

7. Hold Harmless and Indemnification

Contractor shall, at its sole expense, indemnify, defend, save, and hold harmless the District, its officers, agents, and employees from all actual or potential claims or losses, including costs and legal fees at trial and on appeal, and damages or claims for damages to property or persons, suffered by anyone whomsoever, including the District, to the extent caused by any negligent act of or omission of the Contractor or its subcontractors, excluding damages caused by the negligence of the District, in the administration or performance of this Agreement or any subcontracts, and for which either of the parties, their officers, agents, or employees may or shall be liable. In situations where liability for damages arises from claims of bodily injury to persons or damage to property, this indemnity provision shall be valid and enforceable only to the extent of the negligence of the Contractor or its subcontractors. Contractor waives its immunity under industrial insurance, Title 51 RCW, to the extent necessary to effectuate this indemnification/hold harmless agreement. Contractor's indemnification obligation shall not apply to liability for damages arising out of bodily injury to a person or damage to property caused by the negligence of the District or its agents or employees and not attributable to any act or omission on the part of the Contractor. In the event of damages to a person or property caused by or resulting from the concurrent negligence of District or its agents or employees and the Contractor or its agents or employees, the Contractor's indemnity

obligation shall apply only to the extent of the Contractor's (including that of its agents and employees) negligence.

Contractor acknowledges that by entering into this Contract with the District, it has mutually negotiated the above indemnity provision with the District. Contractor's indemnity and defense obligations shall survive the termination or completion of the Contract and shall remain in full force and effect until satisfied in full.

8. Insurance

A. Prior to the commencement of any work under this Agreement, and at all times during the term of this Agreement, Contractor shall obtain and maintain continuously, at its own expense, a policy or policies of insurance with insurance companies rated A- VII or better by A. M. Best, as enumerated below. Any significant deductible, self-insured retention or coverage via captive must be disclosed and is subject to approval by the District's Risk Manager. The cost of any claim payments falling within the deductible or self-insured retention shall be the responsibility of the Contractor and not recoverable under any part of this Contract.

Contractor Required Insurance

1. **General Liability Insurance:** Commercial general liability insurance, covering all operations by or on behalf of Contractor against claims for bodily injury (including death) and property damage (including loss of use). Such insurance shall provide coverage for:

    a. Premises and Operations;
    b. Products and Completed Operations;
    c. Contractual Liability;
    d. Personal Injury Liability (with deletion of the exclusion for liability assumed under Contract);
    e. Independent Contractor's Contingent Liability;
    f. Territorial Extension for the area in which the work will be performed; and
    g. Broad Form Property Damage (including Completed Operations).

    with the following **minimum limits:**

    h. $1,000,000 Each Occurrence
    i. $1,000,000 Personal Injury Liability
    j. $2,000,000 General Aggregate (per project)
    k. $2,000,000 Products and Completed Operations Aggregate

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

2. **Workers' Compensation and Stop Gap Employers Liability**: Workers' Compensation Insurance as required by law for all employees. Employer's

Liability Insurance, including Occupational Disease coverage, in the amount of **$1,000,000 for Each Accident, Each Employee, and Policy Limit**. The Contractor expressly agrees to comply with all provisions of the Workers' Compensation Laws of the states or countries where the work is being performed, including the provisions of Title 51 of the Revised Code of Washington for all work occurring in the State of Washington.

If there is an exposure of injury or illness under the U.S. Longshore and Harbor Workers (USL&H) Act, Jones Act, or under U.S. laws, regulations or statutes applicable to maritime employees, coverage shall be included for such injuries or claims. Such coverage shall include USL&H and/or Maritime Employer's Liability (MEL).

3. **Automobile Liability Insurance**: Automobile Liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned, rented, leased, non-owned, and hired vehicles used in the performance of the work, with a **minimum limit of $2,000,000 per accident** for bodily injury and property damage combined and containing appropriate uninsured motorist and No-Fault insurance provision, when applicable.

   Automobile liability insurance will include the District as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the District.

4. **Excess Insurance:** Excess (or Umbrella) Liability insurance with a **minimum limit of $2,000,000 per occurrence and in the aggregate when combined with underlying primary limits**. This insurance shall provide coverage in excess of the underlying primary liability limits, terms, and conditions for each category of liability insurance in the foregoing subsections 1, 2 and 3. If this insurance is written on a claims-made policy form, then the policy shall be endorsed to include an automatic extended reporting period of at least five years.

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

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

Failure of the District to demand such certificate or other evidence of compliance with these insurance requirements or failure of the District to identify a deficiency from the provided evidence shall not be construed as a waiver of the Contractor's obligation to maintain such insurance. Acceptance by the District of any certificate or other evidence of compliance does not constitute approval or agreement by the District that the insurance requirements have been met or that the policies shown in the certificates or other evidence are in compliance with the requirements.

The District shall have the right but not the obligation of prohibiting the Contractor or subcontractor from entering the project site until such certificates or other evidence of insurance has been provided in full compliance with these requirements. If the Contractor fails to maintain insurance as set forth above, the District may purchase such insurance at the Contractor's expense. The Contractor's failure to maintain the required insurance may result in termination of this Contract at the District's option.

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

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

9. Assignment

Contractor may not assign this Agreement, in whole or in part, voluntarily or by operation of law, unless approved in writing by the District.

10. Records - Audit

A. The results of all work and services performed by the Contractor hereunder shall become the property of the District upon completion of the work herein performed and shall be delivered to the District prior to final payment.

B. Until the expiration of three years after final acceptance by District of all the work, Contractor shall keep and maintain complete and accurate records of its costs and expenses related to the work or this Contract in accordance with sound and generally accepted accounting principles applied on a consistent basis. To the extent this Contract provided for compensation on a cost-reimbursable basis or whenever such records may, in the opinion of the District, be useful in determining any amounts payable to Contractor or District (e.g., the nature of a refund, credit or otherwise), Contractor shall provide District access to all such records for examination, copying and audit.

11. Nondisclosure

Contractor agrees that it will not divulge to third parties, without the written consent of the District, any information obtained from or through District in connection with the performance of this Contract. Contractor further agrees that it will not, without the prior written consent of District, disclose to any third party any information developed or obtained by the Contractor in the performance of this Contract and, if requested by District, to require its employees and subcontractors, if any, to execute a nondisclosure agreement prior to performing any services under this Contract. Nothing in this section shall apply to:

A. Information which is already in the Contractor's possession not subject to any existing confidentiality provisions,

B. Information which, at the time of disclosure, is in the public domain by having been printed and published and available to the public libraries or other public places where such data is usually collected, and

C. Information required to be disclosed by court order or by an agency with appropriate jurisdiction.

12. Public Records Act

The District is subject to the disclosure obligations of the Washington Public Records Act of RCW 42.56. The Contractor expressly acknowledges and agrees that any information Contractor submits is subject to public disclosure pursuant to the Public Records Act or other applicable law and the District may disclose Contractor's proposal and/or information at its sole discretion in accordance with its obligations under applicable law.

13. Applicable Law

Contractor shall comply with all applicable federal, state and local laws and regulations including amendments and changes as they occur. All written instruments, agreements, specifications and other writing of whatsoever nature which relate to or are a part of this Agreement shall be construed, for all purposes, solely and exclusively in accordance and pursuant to the laws of the State of Washington. The rights and obligations of the District and Contractor shall be governed by the laws of the State of Washington. Venue of any action filed to enforce or interpret the provisions of this Agreement shall be exclusively in the Superior Court, County of Grant, State of Washington or the Federal District Court for the Eastern District of Washington at the District's sole option. In the event of litigation to enforce the provisions of this Agreement, the prevailing party shall be entitled to reasonable legal fees in addition to any other relief allowed.

14. Subcontracts/Purchases

The Contractor is not authorized to enter into any subcontracts but is authorized to make purchases of materials and equipment required for the work. Any material purchases shall be approved in advance by the District Representative and Procurement Officer.

Whenever the cost for any single item of material is estimated to exceed $5,000.00, the Contractor shall obtain three quotes and submit to the Procurement Officer for approval. These quotes shall be submitted for approval prior to purchasing the material. Approved material shall be invoiced at cost. A copy of the invoice showing actual cost must be submitted with the Contractor's invoice to the District. In addition, if prevailing wages apply to the material purchase, a copy of the associated Intent to Pay Prevailing Wages and Affidavit of Wages Paid must be attached. In no event shall a material purchase of like items exceed $15,000.00.

15. Notices

Any notice or other communication under this Contract given by either party shall be sent via email to the email address listed below, or mailed, properly addressed and stamped with the required postage, to the intended recipient at the address and to the attention of the person specified below

and shall be deemed served when received and not mailed. Either party may from time to time change such address by giving the other party notice of such change.

District	Contractor
Fallon Long	David Jones
Public Utility District No. 2	Star Protection Agency, LLC
of Grant County, Washington	875 124th Ave NE
154 A Street SE	Bellevue, WA 98005
Ephrata, WA 98823	(425) 457-1442
(509) 754-7207, ext. 3190	djones@starprotection.com
flong@gcpud.org	

For purposes of technical communications and work coordination only, the District designates Fallon Long as its representative. Said individual shall have no authority to authorize any activity which will result in any change in the amount payable to Contractor. Such changes, if any, must be by written Change Order issued in accordance with Section 5 to be valid and binding on the District.

16. Ownership of Work Product/Copyright

A. All rights in the various work produced for or under this Agreement, including but not limited to study plans, results, drafts, charts, graphs, videos, summaries and any other forms of presentation, collectively referred to as "Work Product" shall belong to and be the exclusive property of the District. Contractor shall not use the Work Product outside the scope of this Contract without express written permission from the District.

B. Contractor acknowledges and agrees that all services/work are specifically ordered under an agreement with Public Utility District No. 2 of Grant County, Washington, and shall be considered "work made for hire" and "Work Product" for purposes of copyright. All copyright interest in Work Product shall belong to and be the exclusive property of the District.

C. Contractor shall attach and require each of its subcontractors to attach the following statement to all Work Product:

©. PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON. ALL RIGHTS RESERVED UNDER U.S. AND FOREIGN LAW, TREATIES AND CONVENTIONS.

THE ATTACHED WORK WAS SPECIFICALLY ORDERED UNDER AN AGREEMENT WITH PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON. ALL RIGHTS IN THE VARIOUS WORK PRODUCED FOR OR UNDER THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO STUDY PLANS AND STUDY RESULTS, DRAFTS, CHARTS, GRAPHS AND OTHER FORMS OF PRESENTATION, SUMMARIES AND FINAL WORK PRODUCTS, ARE THE EXCLUSIVE PROPERTY OF THE DISTRICT.

D. Upon final acceptance or termination of this Agreement, Contractor shall immediately turn over to the District all Work Product. This does not prevent the Contractor from making a file copy for their records.

17. Termination

A. District may, at any time, for any reason, terminate Contractor's services in connection with this Agreement, or any part thereof, by designating that portion of the services to be terminated. In case of termination pursuant to this Section A, District will make payment at the rates specified in this Agreement for services properly performed up to the date of termination. However, in no event shall Contractor be entitled to any other payment to or any anticipated fee or profit on unperformed work.

B. In the event of Contractor's breach or abandonment of this Contract, the District may thereupon and without further notice, terminate this Agreement. The District without waiving any other remedies available to it, may retain any monies otherwise due Contractor under this Agreement to the extent such sums are required to compensate District, in whole or in part, for any loss or damage caused by Contractor's breach or abandonment.

18. Non-Waiver

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

19. Physical Security

It shall be the responsibility of the Contractor to ensure that its employees and those of its Subcontractors are informed of and abide by the District's Contractor Security Plan Information as if fully set out herein a copy of which shall be provided to the Contractor at the preconstruction meeting or prior to beginning work. Without limiting the foregoing, Contractor and its employees shall be required to:

A. Keep all external gates and doors locked at all times and interior doors as directed.

B. Visibly display ID badges on their person at all times.

C. Stay out of unauthorized areas or in authorized areas outside of authorized work hours, without express authorization from the District.

D. Provide proper notification to the appropriate parties, and sign in and out upon entry and exit to secured locations. If unsure of who to notify, Contractor shall contact the District Representative.

E. Immediately notify the District if any of Contractor's employees no longer need access or have left the Contractor's employment.

F. Immediately report any lost or missing access device to the District Representative. A minimum charge will be assessed the Contractor in the amount of $50.00 per badge and the fee for lost or non-returned keys may include the cost to re-key the plant facilities. The Contractor is strictly prohibited from making copies of keys.

G. Not permit 'Tagging on' through any controlled access point (i.e. person(s), authorized or unauthorized, following an authorized person through an entry point without individual use of their issued ID badge or key).

H. Return all District property, including but not limited to keys and badges, to the District Representative when an individual's access to the facility is no longer needed.

The Contractor and any Subcontractors shall comply with the safety requirements of these Contract Documents and all District policies pertaining to COVID-19 located at https://www.grantpud.org/for-contractors.

20. Security and Safety Awareness Training

Prior to receiving access to any District facilities, all Contractors, Contractor's employees, subcontractors and subcontractor's employees, material suppliers and material supplier's employees, or any person who will be engaged in the work under this Contract that requires access to District facilities, shall be required to take and pass the District's Security and Safety Awareness training before being issued a security access badge to access District facilities. Under no circumstances will the failure of any Contractor or subcontractor employee to pass the required training, be grounds for any claim for delay or additional compensation.

The Security and Safety Awareness training manual is available in three formats: CD, on-line, or hard copy, and includes step by step instructions for all formats to complete the training. The Security and Safety Awareness training manual shall be issued to the Contractor at the pre-work conference (if any). If a pre-work conference is not held for any reason, the District shall provide the Security and Safety Awareness training manual to the Contractor at such time when a Notice to Proceed is issued by the District. Contractor shall ensure that its employees, subcontractor's and subcontractor's employees have completed, passed and printed the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted to the District Representative before any security access badges will be issued.

21. Confidential Information

The State of Washington, Federal Energy Regulatory Commission (FERC) and/or North American Reliability Corporation (NERC) has established regulations for the protection of sensitive plans, drawings and records defined as Security Sensitive Information (SSI), Critical Energy Infrastructure Information (CEII) and/or Bulk Electric System Cyber System Information (BCSI), reference Appendix "E". In accordance with the Revised Code of Washington (RCW), FERC and NERC regulations, and using them as guidance, the District has identified and designated certain information as SSI, CEII, and/or BCSI (hereinafter referred to collectively as "Confidential Information"). Because of the sensitive nature of certain District Confidential Information that could be used in this Contract, Contractor is bound by the terms and conditions set forth in the Non-Disclosure Agreement (NDA) executed at the time of this Agreement and included as Appendix "D".

22. Approval of Personnel Changes

The Contractor shall submit to the District Representative for review and approval a proposed list of individuals who will have access to SSI, CEII, or BCSI or to restricted areas of District facilities. Unless otherwise required or prohibited by law, the Contractor shall supply the following information for each individual: full legal name, physical address, date of birth, qualifications,

years' of experience, lawful presence and eligibility to work in the United States of such individuals along with their experience and qualifications for the type of work they will perform. Subject to prior written authorization of District Representative, Contractor may add or change personnel on the approved list provided that the same identifying information listed above is provided to the District Representative for review and approval. The Contractor shall submit to the District Representative all additions to the approved list of individuals along with the above listed information for review and approval. The District reserves the right to deny approval of any proposed individual if, as determined by the District, such individual is unsatisfactory to the District. The District will be the sole judge of such effect. All personnel shall be subject to the nondisclosure provisions of this Contract which shall survive their replacement or termination as provided herein.

23. Background Checks

The District reserves the right to conduct or to require Contractor to conduct criminal background checks on its employee(s) before the District will grant such individuals access to secure areas of District facilities or Confidential Information. Criminal background checks may be conducted in such depth as the District reasonably determines to be necessary or appropriate for the type of access to be granted. Contractor shall execute one certification for each employee requiring a background check on the form provided by the District and attached hereto as Appendix "F". The cost of such background checks shall be borne by the Contractor.

In the event the District determines in its sole discretion that an individual is unsatisfactory to the District or fails to provide a background check as requested by the District, the District reserves the right to require the Contractor to remove such individual from the job site and/or to exclude such individual from having any access to SSI, CEII, or BCSI.

24. Qualification of Contractor's Access Approval

The District reserves the right to deny any Contractor or employee thereof access to hydro facilities or Confidential Information at the District's sole discretion. The District will be the sole judge of such effect. All Contractors and employees thereof shall be subject to the nondisclosure provisions of this Contract.

Further, the Contractor must provide the following prior to receiving Confidential Information and/or being granted access to secure areas:

A. Provide resumes of Contractor's personnel who may have access to Confidential Information or who will be working on site in a secure area at the project facilities. The resumes shall include full legal name, physical address, date of birth, qualifications, years' of experience, lawful presence and eligibility to work in the United States along with their qualifications for the type of work they will perform.

B. Any individual requesting access to Bulk Electric System Cyber System Information (BCSI) shall complete the District's CIP Protected Information Training course and provide a certificate of completion prior to receiving access to BCSI or protected areas.

In the event the District determines in its sole discretion that an individual or Contractor is unsatisfactory or fails to provide a background check as requested by the District, or fails to provide the information listed above, the District reserves the right to exclude such individual or Contractor from secure areas and/or from having any access to Confidential Information.

25. BCSI Training

In accordance with the requirements of Section 21, Confidential Information, Contractor shall ensure that its employees, subcontractors and employees of subcontractors or anyone having access shall complete the appropriate District CIP Security Training Program and provide the certificate of completion for each person with the executed Contract.

All persons receiving Confidential Information or having access to secured sites shall complete CIP training prior to receiving such access and periodically, but no less than annually, thereafter. CIP training is conducted through the District's learning management system (LMS). LMS privileges will be coordinated through the District Representative.

26. Driving Records

Contractor to provide District with driving records of any security personnel assigned to operate vehicle patrols, either with a vehicle provided by the Contractor or a District owned vehicle.

IN WITNESS WHEREOF, the Contractor and the District have executed this Agreement each by its proper respective officers and officials thereunto duly authorized the day and year first above written.

Public Utility District No. 2 of Grant County, Washington		Star Protection Agency, LLC	
By:	_____	By:	_____
Name:	_____	Name:	_____
Title:	_____	Title:	_____
Date:	_____	Date:	_____

APPENDIX "A"
RATE SCHEDULE
EFFECTIVE JULY 2, 2021

DIRECT EXPENSES:

Position	Estimated Regular Hours per Week	Regular Hourly Rate	OT/Holiday Hourly Rate
Account Manager	40	$38.48	$57.72
Supervisor	40	$33.12	$49.68
DSOC Officer	168	$24.11	$36.16
T&D Patrol Officer	56	$24.11	$36.16
Moses Lake Officer	50	$24.11	$36.16
Ephrata Patrol Officer	50	$24.11	$36.16
Wanapum Dam Officer	168	$25.96	$38.94
Priest Rapids Dam Officer	168	$25.96	$38.94
Total Hours	740		

Vehicles				
Position	**Monthly Lease Cost**	**Monthly Maintenance Cost**	**Estimated Monthly Fuel Cost at $.14 per Mile**	**Estimated Mileage per Year**
Account Manager Vehicle	$600.00	$150.00	$291.68	25,000.00
T&D Vehicle	$600.00	$150.00	$933.33	80,000.00
Ephrata Vehicle	$600.00	$150.00	$583.33	50,000.00
Wanapum Dam Vehicle	$600.00	$150.00	$583.33	50,000.00
Priest Rapids Dam Vehicle	$600.00	$150.00	$583.33	50,000.00
Total Annual Cost	$36,000.00	$9,000.00	$35,700.00	255,000.00

Notes:

1. Vehicles include monthly lease, insurance, estimated fuel and maintenance costs.

2. The Contractor will provide cell phones to officers on duty. The Contractor provided cell phones shall be billed at $60.00 per month. The District will not be billed for management staff's phones.

3. Additional District requested "special" training will be billed at the OT/Holiday Hourly Rate.

4. The hourly rate for additional on-site work will be billed at the Regular Hourly Rate with 72 or more hours of advance notice. Requested on-site coverage with less than 72 hours advance notice will be billed at the OT/Holiday Hourly Rate.

Fixed hourly billing rates shall be in US Dollars and include all i) payroll, payroll taxes and fringe benefits; ii) all reproduction and printing costs including electronic media; iii) communications costs including all phones, faxes, internet, postage, shipping, delivery, couriers; iv) computer, software, printers, scanners, office machines and related costs of operations including consumables; v) insurance costs; vi) indirect and overhead burden; and vii) profit.

REIMBURSABLE EXPENSES:

Reimbursable expenses are those reasonable and necessary costs incurred on or directly for the District's project, including necessary transportation costs, meals and lodging. Any actual expenses in non-US dollars will be converted using the conversion tables at www.x-rates.com for the applicable period. Reimbursable

expenses will only be authorized for specific work that is issued in a District Task Authorization when applicable. Reimbursement will be subject to the following limitations:

Meals and Incidental Expenses: Meals and incidental expenses will be limited to the Federal Per Diem rate for meals and incidentals established for the location where lodging is obtained. The current rate for all Grant County locations is $55.00 per day. Federal Per Diem guidelines which includes the meal breakdown and Federal Per Diem rates for other locations can be found at www.gsa.gov.

Lodging: Lodging will be billed at cost, including applicable taxes, not to exceed 200% of the Federal Per Diem maximum lodging rate for the location where the work is being performed. The current federal maximum lodging rate for all Grant County locations is $96.00. The District Representative may increase this limit in writing when circumstances require.

Travel: Air travel (at coach class or equivalent), airport shuttles, etc. billed at cost. Ground transportation by privately owned vehicle, if utilized, billed at the Internal Revenue Service mileage rate for privately owned vehicles in effect at the time of travel. Expenses for a rental car, at cost, in the ratio of one mid-size class rental car for each three Contractor's personnel directly engaged in performance of the work at the prevailing rental rates then in effect. Rental car options such as refueling fees, GPS, collision & liability insurance, etc. will not be reimbursed by the District unless such options are approved in advance by the District Representative. **Appropriate insurance coverage should be included in the Contractor's insurance policies.**

Material and Equipment Purchase: Purchases requested by the District, verifiable by applicable supporting documentation or at specified rates, will be reimbursed to Contractor at cost.

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

Reimbursable expenses must be accompanied by receipts for airfare, hotel, and rental car, and any other support documentation as the District may require.

APPENDIX "B"
CHANGE ORDER
NO. __

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

A. Description of Change:

B. Time of Completion: The revised completion date shall be _____.
OR
The completion date shall remain _____.

C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall remain unchanged (be increased/decreased by the sum of $_____ 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 $_____, including changes incorporated by this Change Order.

Sample Only

D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2 of Grant County, Washington	TBD
Accepted By: _____	Accepted By: _____
Name of Authorized Signature Title	Name of Authorized Signature Title
Date: _____	Date: _____

APPENDIX "C"
TASK AUTHORIZATION FOR
PROFESSIONAL SERVICES

Contract No.:	430-10804	Task Authorization No.:		Amendment No.:	
Project Name:					

The Scope of Services covered by this authorization shall be performed in accordance with all the terms and conditions in the above referenced Contract Documents which are incorporated herein by this reference.

The District hereby requests and authorizes the Contractor to perform the following services:

Sample Only

Compensation is to be paid in accordance with and subject to the limitations in Section 4.A of the Contract Documents. In addition, the total cost of the above described work shall not exceed $_____ without advance amendment of this Task Authorization by the District.

Public Utility District No. 2
of Grant County, Washington

Approved for District

By: _____

Print Name: _____

Title: District Representative

Date: _____

TBD

Accepted by Contractor

By: _____

Print Name: _____

Title: _____

Date: _____

APPENDIX "D"
NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement ("NDA") is entered into on the date shown on the signature page between Public Utility District No. 2 of Grant County, Washington ("District"), and _____ _____, ("Contractor". District and Contractor are sometimes referenced herein individually as "Party" and collectively as "Parties."

RECITALS

The District has identified and designated certain information as confidential. For purposes of this NDA, "Confidential Information" includes:

- District customer information protected under Chapter 19.29A RCW, Consumers of Electricity;
- Personal Information of District employees, customers, and vendors (Chapter 19.255 RCW);
- Proprietary information of District vendors;
- All technical and business information or material that has or could have commercial value or other interest in the business or prospective business of the District;
- All information and material provided by the District which is not an open public record subject to disclosure under Chapter 42.56 RCW, Public Records Act;
- All information of which unauthorized disclosure could be detrimental to the interests of the District or its customers, whether or not such information is identified as Confidential Information; and
- Any information identified and designated by the District as Security Sensitive Information (SSI), Critical Energy Infrastructure Information (CEII), and/or Bulk Electric System Cyber System Information (BCSI) in accordance with the State of Washington, Federal Energy Regulatory Commission (FERC) and/or North American Reliability Corporation (NERC), which have established regulations for the protection of sensitive plans, drawings, and records defined as SSI, CEII, and/or BCSI. SSI, CEII, and BCSI are further defined in Exhibit "A".

Because of the sensitive nature of such information that may be provided to the Contractor, Contractor must execute and deliver this NDA to the District prior to receiving such Confidential Information from the District.

NOW, THEREFORE, the Parties agree as follows:

1. **Incorporation by Reference.** The recitals set forth above are incorporated herein as if fully set forth.

2. **Confidential Information Disclosure.** All information and drawings that are disclosed by the District to the Contractor, which are designated as confidential, SSI, CEII, and/or BCSI, shall be protected hereunder as Confidential Information.

3. **Non-Disclosure.** Subject to the provisions of Section 4 and unless the parties agree otherwise, this non-disclosure obligation shall survive the termination of this NDA. Contractor shall not disclose or disseminate Confidential Information and shall:

   A. Restrict disclosure of Confidential Information solely to its agents and employees with a need to know and not disclose such Confidential Information to any others; and

   B. Advise and require all of its officers, agents, employees, representatives, prospective and successful subcontractors, consultants and employees thereof with access to the Confidential Information to execute an NDA in this same form with the District prior to allowing them access to the Confidential Information; and

   C. Use the Confidential Information provided hereunder only for purposes directly related to performance of the work Contract 430-10804.

   D. In the event third parties attempt to obtain the Confidential Information by legal process, the Contractor agrees that it will not release or disclose any Confidential Information until the District has received notice of the legal process and has been given reasonable opportunity to contest such release of information and/or to assert the confidentiality privilege.

4. **Ownership and Return of Confidential Information.** All Confidential Information shall remain the property of the District. Contractor is responsible for safeguarding and returning all Confidential Information or shall certify, by signed, statement delivered to the District, the destruction of all original Confidential Information provided along with any copies made by the Contractor. Such delivery shall be to the District, Attention: Guy Wanner, Procurement Officer, PO Box D4, 14352 Highway 243 S Building 6, Beverly, Washington 99321.

Sample Only

5. **Compliance Audit.** The District may audit Contractor's compliance with this NDA.

6. **Applicable Law.** This NDA is made under, and shall be construed according to, the laws of the State of Washington and the Federal Energy Regulatory Commission regulations. Venue for any action brought pursuant to this NDA shall, at the District's option, be in Grant County Superior Court, Grant County, Washington or in the United States District Court for the Eastern District of Washington.

7. **Assignment.** This NDA may not be assigned.

8. **Violations.** Contractor understands and agrees that the District is providing the Confidential Information to Contractor in reliance upon this NDA, and Contractor will be fully responsible to the District for any damages or harm caused to the District by a breach of this NDA by Contractor or any of its officers, directors, agents, employees, subcontractors, consultants or affiliates. Contractor acknowledges and agrees that a breach of any of its promises or agreements contained herein will result in irreparable injury to the District for which there will be no adequate remedy at law, and the District shall be entitled to apply for equitable relief, including injunction and specific performance, in the event of any breach or threatened breach or intended breach of this NDA by Contractor. Such remedies, however, shall not be deemed to be the exclusive remedies for any breach of the Agreement but shall be in addition to all other remedies available at law or in equity. In addition to injunctive relief, civil or criminal penalties may be imposed for each violation of this NDA.

9. **Attorney's Fees.** In the event it is necessary for the District to utilize the services of an attorney to enforce any of the terms of this NDA, it shall be entitled to compensation for its reasonable attorney's fees and costs. In the event any legal action becomes necessary to enforce the provisions of the NDA, the substantially prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief allowed, regardless of whether the dispute is settled by trial, trial and appeal, arbitration, mediation, negotiation or otherwise, and regardless of whether suit is formally filed.

10. **Corporate Authority; Binding Signatures.** The individual executing this NDA on behalf of Contractor warrants that he or she is an authorized signatory of the entity for which they are signing, and have sufficient institutional authority to execute this NDA.

11. **Electronic Signatures.** Signatures transmitted electronically shall be deemed valid execution of this NDA, binding on the parties.

12. **Effective Date and Term.** This NDA shall become effective immediately and remain in full force and effect until Contractor has returned all Confidential Information to the District provided, however, the obligations contained in Section 3 shall survive the termination of this NDA.

Sample Only

CONTRACTOR: Name: _____

Address: _____

_____

Phone: _____

Email: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

APPENDIX "E"
DEFINITION OF CEII, BCSI, AND SSI

Definition of Critical Energy Infrastructure Information (CEII)

The Critical Energy Infrastructure Information (CEII) guidelines of the Federal Energy Regulatory Commission (FERC) define CEII as specific engineering, vulnerability, operational or detailed design information about proposed or existing critical energy infrastructure (physical or virtual) that relates to the production, generation, transportation, transmission or distribution of energy, could be useful to a person planning an attack on critical infrastructure, is exempt from mandatory disclosure, and gives strategic information beyond the location of the critical infrastructure. 18 CFR §388.113 and RCW 42.56.520.

Definition of Bulk Electric System Cyber System Information (BCSI)

The North American Electric Reliability Corporation (NERC) has been designated by the FERC, through the Energy Policy Act of 2005, to establish and enforce standards and requirements for the reliable operation of the Bulk Electric System. The Bulk Electric System includes the District's electrical generation resources, transmission lines, and interconnections with neighboring electric systems. Information related to the District's Bulk Electric System Cyber Systems (BCS) is required to be protected due to the sensitive security nature of such information, and the need to protect public safety (hereinafter referred to as "BCSI"). BCSI generally (not exclusively) is defined as information about the BCS that could be used to gain unauthorized access or pose a security threat to the BCS and affect the reliable operations of the Bulk Electric System. The District is required to protect this information including, but not limited to, network topology/diagrams; floor plans for computing centers; equipment layouts; security configuration information and other information as defined in the NERC standards. FERC Order No. 706, issued January 18, 2008; 18 CFR Part 40; and RCW 42.56.070.

Definition of Security Sensitive Information (SSI)

Security Sensitive Information is those portions of records assembled, prepared, or maintained to prevent, mitigate, or respond to criminal or terrorist acts, which are acts that significantly disrupt the ability of the District to fulfill its mission and goals and that manifest an extreme indifference to human life, the public disclosure of which would have a substantial likelihood of threatening public safety. SSI includes: (a) Specific and unique vulnerability assessments or specific and unique response or deployment plans, including compiled underlying data collected in preparation of or essential to the assessments, or to the response or deployment plans; (b) Records not subject to public disclosure under federal law that are shared by federal or international agencies, and information prepared from national security briefings provided to state or local government officials related to domestic preparedness for acts of terrorism; and (c) Information regarding the infrastructure and security of computer and telecommunications networks, consisting of security passwords, security access codes and programs, access codes for secure software applications, security and service recovery plans, security risk assessments, and security test results to the extent that they identify specific system vulnerabilities.

Grant County
PUBLIC UTILITY DISTRICT

APPENDIX "F"
BACKGROUND CHECK/IDENTITY VERIFICATION BY CONTRACTOR/VENDOR

Contractor Name: _____ Date: _____

Contract Number: _____ Procurement Officer: _____

Project Manager: _____

In accordance with NERC Reliability Standards CIP 002-011, we are providing Public Utility District No. 2 of Grant County, Washington certification of background checks performed on personnel who will require authorized Unescorted Physical Access and/or Electronic Access to District High or Medium Impact BES Cyber Systems, and their associated EACMS and PACS.

Accordingly, we certify that:

1. A background check has been conducted on the following employee(s) that includes a seven year criminal history records check, a current residence check and a residence check at other locations where, during the seven years immediately prior to the date of the criminal history records check, the employee has resided for six consecutive months or more; and the assessment of the employee is consistent with the safe and efficient performance of the services and meets the minimum standard for criminal checks as set forth by the attached Evaluation Criteria.

2. Employment eligibility identity verification has been completed to ensure employee is legally permitted to work in the United States. (Citizenship, Federal I-9 form verification)

Employee Name	Background Check Completion Date	Indicate Pass (P) or Fail (F)	Identity Verification Completion Date	PRA Completion Date (District use only)

(Do not send actual background check documents)

Name of company where background check was performed: _____

Certified by: _____ Title: _____

Phone No.: _____ Email: _____

Return this form to: CIPDocuments@sp.gcpud.org

****Access will not be granted until this Background Check has been completed and training taken****

These are sub-sections of the "Grant County PUD Personnel Risk Assessment Program" relevant to Vendor(s) and/or Contractor(s). For the complete program please contact rcstaff@gcpud.org

Evaluation Criteria:
Contractors with physical or electronic access to District High or Medium Impact BES Cyber Systems and their associated EACMS and PACS, shall certify a background check was met using the following criteria:

Whether the individual has ever been convicted of any of the following FELONIES:

Murder

Kidnapping

Manslaughter

Fraud, theft, and/or robbery

Criminal sexual conduct

Arson

Whether the individual has ever been convicted of the following MISDEMEANORS:

Violence related

Honesty related

Whether the individual has ever been convicted of a single misdemeanor, other than minor traffic offenses, which are generally defined as traffic offenses that did not involve property damage and/or personal injury.

Individual is not currently awaiting adjudication on any criminal charge other than minor traffic offenses, which, again, are generally defined as traffic offenses that did not involve property damage and/or personal injury.

In the event the individual has been convicted of a felony or misdemeanor, the Contractor shall not assign such individual to a District location without first discussing such conviction with the District and obtaining the approval of the District's PRA Committee for such assignment in accordance with the District's Personnel Risk Assessment Program. The District reserves the right to refuse the assignment of an individual who does not pass the above Evaluation Criteria after review and consideration of the extenuating circumstances by the District's PRA Committee.

FOR GRANT PUD USE ONLY

If Background Check failed enter date of PRA Committee Review: _____ Pass ___ Fail ___
(Check one)

Signature of PRA Committee member: _____

For Commission Review – 03/23/2021

Motion was made by _____ and seconded by _____ authorizing the General Manager/CEO, on behalf of Grant PUD, to sign the Purchase and Sale Agreement with the City of Ephrata, to acquire 1.6 acres of property adjacent to Grant PUD parcel #13-0435-028 to allow for expansion for additional capacity in the South Ephrata Substation, in the amount of $10,500.00.

xxxx

M E M O R A N D U M February 23, 2021

TO: Kevin Nordt, General Manager

VIA: Richard Wallen, Chief Operating Officer
Ty Ehrman, Managing Director of Power Production Ty Ehrman
Ross Hendrick, Senior Manager of Environmental Affairs Ross Hendrick
Shannon Lowry, Lands and Recreation Manager Shannon Lowry
David Klinkenberg, Project Manager PDA Klinkenberg

FROM: Igor Shaporda, Lands Specialist Igor Shaporda

SUBJECT: Land acquisition to support future South Ephrata Substation DB2 build out.

Purpose: To recommend a Motion authorizing the Manager to sign the Purchase and Sale Agreement with the City of Ephrata to acquire 1.6 acres of property adjacent to Grant PUD parcel #13-0435-028.

Discussion: Grant PUD has a need to procure additional land adjacent and on the north side of the existing South Ephrata Substation property on the west side of Dodson Road identified as Grant County Assessor's Parcel No.13-0435-028. The proposed acquisition will consist of 1.6 acres being 200.03 feet by 345.00 feet owned by the City of Ephrata in a portion of Grant County Parcel No. 13-0435-025. The subject property was appraised and given a fair-market value of $10,500. Resolution No. 21-003 authorizing the sale of City owned property to Grant PUD was adopted by the City Council of the City of Ephrata on January 20, 2021.

Justification: Grant PUD is rebuilding the South Ephrata Substation to support increasing customer load growth and improve the reliability of service as part of the DB 2 Project. The existing substation was decommissioned several years ago. The existing site was determined to be insufficient for current needs. The additional land will allow the Grant PUD to expand for additional capacity and have space to obtain the required electrical clearances. In addition to the South Ephrata Substation, a new transmission Ring Bus will be added to provide high speed sectionalizing of our 115kV transmission line. This will greatly increase the reliability of all substations in the Ephrata area.

Financial Considerations: This transaction enables Grant PUD to acquire land necessary to build the new South Ephrata Substation, which supports increasing customer load growth and improves reliability of service, and the South Ephrata Ring Bus, which will improve reliability of several substations in the Ephrata area.

Recommendation: Approval for a motion authorizing the Manager to sign the attached Purchase and Sale Agreement with the City of Ephrata to support future South Ephrata Substation build out.

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 December 15, 2020 indicating concurrence is attached.

Attachments: Purchase and Sale Agreement
12/15/20 Legal Concurrence email
City of Ephrata Resolution No. 21-003

COPY

RESOLUTION 21-003

A RESOLUTION AUTHORIZING THE SALE OF CITY OWNED PROPERTY TO PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

RECITALS:

1. Public Utility District #2 of Grant County has requested to purchase 1.6 acres of City owned property for $10,500.

3. The property was appraised and given a fair-market value of $10,500.

2. The site is undeveloped.

RESOLVED:

The Mayor is authorized and directed to execute the sale agreement for the property attached hereto as Exhibit A.

ADOPTED by the City Council of the City of Ephrata Washington, this 20th day of January 2021.

Bruce Reim, Mayor

ATTEST:

Leslie Trachsler, City Clerk

REAL ESTATE PURCHASE AND SALE AGREEMENT

This Real Estate Purchase and Sale Agreement (the "Agreement") is dated January 20, 2021, and is entered into by and between City of Ephrata, Washington, ("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 portion of parcel of land (Grant County Parcel Number #13-0435-025, (Polygon 2) consisting of approximately 1.6 acres, the legal description of which is set forth on **Exhibit A** hereto; and (ii) all improvements thereon (the "Project"); and (iii) all shrubs, trees, and plants thereon; and (iv) 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 (v) all easements, rights of way, and other rights appurtenant thereto; and (vi) all permits and contract rights relating to the operation of the Property. If the exact boundaries and square footage area of the Property is not known as of the date of mutual execution hereof, Buyer and Seller shall mutually agree on the same during 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 Guaranty Company, (the "Escrow Agent" and the "Title Company") 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 $10,500.00 (ten thousand five hundred dollars) 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 Guaranty Company, (the "Escrow Agent" and the "Title Company") located in Ephrata, Washington, 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, (revised 6/17/06), 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 five (5) 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) All endorsements thereto, as called for in Section 4 hereof;

(ii) Any broker's commissions; and

(iii) Costs of Seller's counsel.

(b) Buyer shall pay for the escrow fee and document preparation, cost of the title insurance, and all endorsements thereto, 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 sixty (60) 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) Grant PUD Commission Approval. Approval of this Agreement and the purchase of the property by the Buyer's Board of Commissioners through the adoption of an official resolution providing for the same.

(iv) City of Ephrata Council Approval. Approval of this Agreement and the sale of the property by the City of Ephrata Council through the adoption of an official resolution providing for the same.

(v) Regulatory Approval. Receipt of approval of the Lot Line Adjustment application.

(b) 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 sixty (60) days after the date of mutual execution hereof:

(i) Inspection of the Property. Buyer's written approval of the Property, including zoning, land use, and all systems thereon (including, without limitation, heating, electrical, plumbing, paving, amenities, air conditioning, water and roof), and 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.

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, 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) Except for the warranties, representations, and indemnifications contained in this Agreement, Seller does not make and specifically disclaims any warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose, with respect to the Property and no employee or agent of Seller is authorized otherwise. Without limitation, the foregoing specifically excludes, except for warranties, representations and indemnifications contained in this Agreement, any warranties or representations with respect to the area being purchased, the existence or non-existence of any Hazardous Substances or underground storage tanks, or the actual or threatened release, deposit, seepage, migration or escape of Hazardous Substances, from or into the Property, and the compliance or noncompliance of the Property with applicable federal, state, city and local laws and regulations, including, without limitation, environmental laws and regulations and seismic/building codes, laws and regulations. For purposes of this Agreement, the term Hazardous Substances shall mean: "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"); "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 ("RCRA") as amended; hazardous wastes, hazardous materials, hazardous substances, toxic waste, toxic materials, or toxic substances as defined in state or federal statutes or regulations; asbestos-containing materials, polychlorinated biphenyls; radioactive materials, chemicals known to cause cancer or reproductive toxicity; petroleum products, distillates or fractions; any substance the presence of which is prohibited by statute or regulation; and any substance for which any statute or regulation requires a permit or special handling in its use, collection, storage, treatment or disposal.;

(f) 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.

(g) 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.

(h) 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.

(i) Seller has the capacity and requisite authority to enter into and carry out this Agreement and the transactions contemplated hereby.

(j) Seller shall be solely responsible for any brokers, agents, brokerage commission, finder's fee or like payment arising out of or in connection with the purchase and sale of the Property. Seller shall indemnify and hold 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.

(k) 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.

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

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

(n) 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.

(o) 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. Representation of Buyer.

(a) Buyer has the capacity and requisite authority to enter into and carry out this Agreement and the transactions contemplated hereby.

(b) There is no pending or, to the best of Buyer's knowledge, threatened lawsuit, or material claim against or relating to Purchaser that shall impede or materially affect Buyer's ability to perform the terms of this Agreement.

(c) Full Disclosure. No representation or warranty by Buyer's in this Agreement or in any instrument, document, certificate or statement furnished to Seller pursuant hereto, or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact.

(d) Condition of Property. Buyer acknowledges that, within the period described in Section 7, it will have conducted a physical inspection and made all investigations Buyer deems necessary in connection with its purchase of the Property. Upon waiver or satisfaction by Buyer of its contingencies pursuant to Section 7, Buyer will be deemed to have approved the physical condition of the Property and agrees to accept and purchase the same "AS IS, WHERE IS", including, without limitation, the existence or non-existence of any pollutants, contaminants, hazardous waste, dangerous waste, toxic waste, underground storage tanks or contaminated soil, or the actual or threatened release, deposit seepage, migration or escape of such substances at, from or into the Property and the compliance or noncompliance of the Property with applicable federal, state, county and local laws and regulations including, without limitation, environmental laws and regulations. Buyer acknowledges and agrees that, except to the extent of Seller's representations and warranties in Section 8 of this Agreement, and to the extent of any fraud or deliberate misrepresentation by Seller, Seller shall have no liability for, and that Buyer shall have no recourse against the Seller for, any defect or deficiency of any kind whatsoever in the Property including without limitation those relating to Hazardous Substances, without regard to whether such defect or deficiency was discovered or discoverable by the Buyer or Seller.

(e) Indemnification. Buyer shall indemnify, defend, and hold Seller, its officers, agents, and employees harmless from and against any and all claims and agency orders or requirements relating to or arising out of, directly or indirectly, the Property after closing.

10. Possession.

(a) 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. 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. In connection with such inspections, Purchaser agrees to hold harmless, indemnify and defend Seller, its officers, agents and employees, from and against all claims, losses, or liability, for injuries, sickness or death of persons, including employees of Purchaser caused by or arising out of any act, error or omission of Purchaser, its officers, agents, contractors, subcontractors or employees in entering Seller's property for the above purposes, to the extent not caused by or arising out of any act, error or omission of Seller, its officers, agents and employees. Prior to undertaking any activity or exercising any rights during the Due Diligence Period, Purchaser shall obtain, and subsequently maintain in full force and effect throughout the duration of any contract, commercial general liability insurance in an amount not less than $1,000,000. Such policy shall name the City as an additional insured and

shall cover damage to property and persons resulting from or connected with any activity of the Purchaser related to the Due Diligence Period.

(b) Full possession of the Property shall be delivered to Buyer by Seller at Closing.

11. 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.

12. 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.

13. 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 (x) the date actually received, or (y) 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: City of Ephrata
c/o Daniel Leavitt, Community Development
121 Alder St SW
Ephrata, WA 98823

To Buyer: Public Utility District No. 2 of Grant County
c/o Igor Shaporda, Property Services
P.O. 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) Destruction of Improvements. Should the improvements at the Property be destroyed or damaged prior to Closing, Buyer may:

(i) terminate this Agreement without any liability to Buyer and recover all funds previously advanced by Buyer, and upon written notice to Seller this Agreement will terminate upon receipt of said notice.

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

(g) 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.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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:

Date: 1-20-2021 Signature _____
Bruce Reim, Mayor

BUYER:

Date: _____ Signature _____

Print Name _____

STATE OF WASHINGTON
County of GRANT

I certify that I know or have satisfactory evidence that Bruce Reim is the person who appeared before me and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as Mayor of the City of Ephrata, and acknowledged it to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

DATED: 1-20-21

Notary Public

Residing at EPHRATA

My appointment expires: 2-17-22

STATE OF WASHINGTON
County of _____

I hereby certify that I know or have satisfactory evidence that _____ and _____ signed this instrument, on oath stated that they are/were authorized to execute this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in this instrument.

DATED:_____

_____
Notary Public

Residing at_____

My appointment expires:_____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

A PARCEL OF LAND BEING A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 21 NORTH, RANGE 26 EAST OF THE WILLAMETTE MERIDIAN, GRANT COUNTY, WASHINGTON, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 28, SAID TOWNSHIP AND RANGE, A 2 INCH BRASS CAP IN A MONUMENT CASE, FROM WHICH THE EAST QUARTER CORNER FOR SAID SECTION, A 2 INCH BRASS CAP IN A MONUMENT CASE, BEARS NORTH 00°00"02" EAST 2,660.32 FEET; AND FROM WHICH THE SOUTH QUARTER CORNER FOR SAID SECTION, A 2 INCH BRASS CAP, BEARS SOUTH 87°36'28" WEST 2,599.68 FEET; THENCE FROM SAID SOUTHEAST CORNER SOUTH 87°36'28" WEST 40.03 FEET ALONG THE SOUTH LINE OF SAID SECTION 28 TO THE TRUE POINT OF BEGINNING; THENCE CONTINUE ALONG SAID SOUTH LINE SOUTH 87°36'28" WEST 345.00 FEET; THENCE NORTH 00°00'02" EAST 615.00 FEET PARALLEL TO THE EAST LINE OF SAID SECTION 28; THENCE NORTH 87°36'28" EAST 345.00 FEET TO THE WEST RIGHT OF WAY LINE FOR DODSON ROAD NW.; THENCE SOUTH 00°00'02" WEST 615.00 FEET ALONG SAID RIGHT OF WAY LINE BEING PARALLEL TO AND 40.00 FEET WEST OF THE EAST LINE OF SAID SECTION TO THE TRUE POINT OF BEGINNING.

EXCEPT:
A PARCEL OF LAND BEING A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 21 NORTH, RANGE 26 EAST OF THE WILLAMETTE MERIDIAN, GRANT COUNTY, WASHINGTON, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 28, SAID TOWNSHIP AND RANGE, A 2 INCH BRASS CAP IN A MONUMENT CASE, FROM WHICH THE EAST QUARTER CORNER FOR SAID SECTION, A 2 INCH BRASS CAP IN A MONUMENT CASE, BEARS NORTH 00°00"02" EAST 2,660.32 FEET; AND FROM WHICH THE SOUTH QUARTER CORNER FOR SAID SECTION, A 2 INCH BRASS CAP, BEARS SOUTH 87°36'28" WEST 2,599.68 FEET; THENCE FROM SAID SOUTHEAST CORNER SOUTH 87°36'28" WEST 40.03 FEET ALONG THE SOUTH LINE OF SAID SECTION 28 TO THE TRUE POINT OF BEGINNING; THENCE CONTINUE ALONG SAID SOUTH LINE SOUTH 87°36'28" WEST 345.00 FEET; THENCE NORTH 00°00'02" EAST 415.00 FEET PARALLEL TO THE EAST LINE OF SAID SECTION 28; THENCE NORTH 87°36'28" EAST 345.00 FEET TO THE WEST RIGHT OF WAY LINE FOR DODSON ROAD NW.; THENCE SOUTH 00°00'02" WEST 415.00 FEET ALONG SAID RIGHT OF WAY LINE BEING PARALLEL TO AND 40.00 FEET WEST OF THE EAST LINE OF SAID SECTION TO THE TRUE POINT OF BEGINNING.

March 2021

March 2021

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April 2021

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Feb 28	Mar 1 8:00am APPA Legislative Rally (Dale) (Virtual - Log In information to come) - Commission Meetings	2 8:00am APPA Legislative Rally (Dale) (Virtual - 10:30am GM Forum Live Event (Login details 12:00pm 1:1	3	4	5	6
7	8	9 9:30am Commission Meeting (Microsoft Teams) - Melissa 9:30am Commission Meet and Greet with	10 11:00am Randalynn Hovland Moss Adams Interview - Larry Schaapman, Grant PUD Commission	11 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Larry (Microsoft Teams	12	13
14	15 8:30am Randalynn Hovland Commission Workshop (Microsoft Teams Meeting) - Randalynn Hovland	16	17 8:00am WPUDA Meetings (Judy) (Virtual - Log-in 12:00pm 1:1 GM/Commissioners	18 8:00am WPUDA Meetings (Judy) (Virtual - Log-in information to come) - Commission	19 8:00am WPUDA Meetings (Judy) (Virtual - Log-in information to come) - Commission	20
21	22	23 9:30am Commission Meeting (Microsoft Teams) - Melissa 12:00pm Grant PUD / Grant County	24	25 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Nelson (Microsoft Teams	26	27
28	29	30	31 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Dale (Microsoft Teams	Apr 1	2	3

April 2021

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Mar 28	29	30	31	Apr 1	2	3
4	5	6 10:30am GM Forum Live Event (Login details are provided below) - Randalynn Hovland	7	8	9	10
11	12	13 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	14 8:00am WPUDA Meetings (Virtual - Log-in information to come) - Commission Meetings	15 8:00am WPUDA Meetings (Virtual - Log-in information to come) - Commission Meetings	16 8:00am WPUDA Meetings (Virtual - Log-in information to come) - Commission Meetings	17
18	19	20	21	22	23	24
25	26	27 9:30am Commission Meeting (Microsoft Teams) - Melissa 12:00pm Lunch with County	28	29	30	May 1

May 2021

May 2021

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June 2021

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27	28	29	30			

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Apr 25	26	27	28	29	30	May 1
2	3	4 10:30am GM Forum Live Event (Login details are provided below) - Randalynn Hovland	5	6	7	8
9	10	11 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	12 1:00pm WPUDA Telecom Workshop (Virtual - Log-in information to come)	13 8:00am WPUDA Telecom Workshop (Virtual - Log-in information to come)	14	15
16	17	18	19	20	21	22
23	24	25 9:30am Commission Meeting (Microsoft 12:00pm Lunch with 12:00pm Randalynn	26	27	28	29
30	31 8:00am HOLIDAY - Commission Meetings	Jun 1	2	3	4	5

June 2021

June 2021

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July 2021

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SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
May 30	31	Jun 1 10:30am GM Forum Live Event (Login details are provided below) - 12:00pm 1:1 GM/Commissioners	2	3	4	5
6	7	8 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	9	10 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Larry (Microsoft Teams	11	12
13	14	15	16 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Judy (Microsoft Teams	17	18	19
20	21	22 9:30am Commission Meeting (Microsoft Teams) - Melissa 12:00pm Lunch with County	23 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Nelson (Microsoft Teams	24	25	26
27	28	29	30 12:00pm Melissa Leonard 1:1 GM/Commissioners Lunch with Kevin/Dale (Microsoft	Jul 1	2	3