

**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, June 8, 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**      Lunch
- 1:00 p.m.**      Safety Briefing  
Pledge of Allegiance  
Attendance  
Public requests to discuss agenda items/non-agenda items  
Correspondence  
Business Meeting

**1. Consent Agenda**

Approval of Vouchers

Meeting minutes of May 25, 2021

**2. Regular Agenda**

8966 – Resolution of the Commission of Public Utility District No. 2 of Grant County, Washington, Providing for the Issuance of a Subordinate Lien Electric System Revenue Refunding Bond of the District in the Principal Amount of not to exceed \$50,000,000.00 to Refinance Certain Capital Improvements to the Electric System; Providing the Form and Terms of the Bond; Authorizing the Sale of the Bond; and Approving Certain Matters Related Thereto.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 10 to Contract 230-08636 with IMCO General Construction, Inc., increasing the not-to-exceed contract amount by \$4,258,940.00 for a new contract total of \$39,584,485.46 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. 10. (3363)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Interlocal Agreement (ILA), Contract 430-10913, between Grant PUD and Energy Northwest. (3364)

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

XXXX – A Resolution Declaring Certain Real Property Surplus to the Needs of the District and Authorizing Sale to the Chelan County Fire District No. 9 DBA Lake Wenatchee Fire and Rescue.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10967 with Washington Department of Fish and Wildlife (WDFW), in an amount not-to-exceed \$3,492,599.00 and with a contract completion date of June 30, 2024. (xxxx)

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to sign the Purchase and Sale Agreement with TG Downs, LLC, to acquire 88.06 acres of property in Quincy, Washington to allow for the Quincy Transmission Expansion Program (QTPE), in the amount of \$5,723,900.00. (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

May 25, 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.

The Commission recessed at 9:17 a.m.

The Commission resumed at 9:30 a.m.

A round table discussion was held regarding the following topics: Incident Criticality Level (ICL) and at-home antigen testing update; upcoming changes to paid administrative leave as related to COVID-19 response; and a June 22 scheduling discussion.

Nichole Bortle, Safety Coordinator, provided the Safety Report.

John Mertlich, Senior Manager of FP&A, Bonnie Overfield, Senior Manager of Treasury and Jennifer Sager, Interim Senior Manager of Accounting, provided the Financial Statement Suite Report.

The Commission recessed at 10:52 a.m.

The Commission resumed at 11:00 a.m.

A meet and greet was held with Energy NW and X-Energy executives Brad Sawatzke, CEO, Energy NW; Greg Cullen, Vice President of Energy Services and Development, Energy NW; Clay Sell, CEO, X-energy; and Darren Gale, Vice President & Executive Program Manager, X-energy.

The Commission recessed at 11:46 a.m.

The Commission resumed at 12:00 p.m.

The Commission attended a virtual lunch meeting with Grant County Commissioners.

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

Payment Number	111294	through	111731	\$17,747,616.69
Payroll Direct Deposit	177729	through	178464	\$1,996,219.60
Payroll Tax and Garnishments	20210520A	through	20210520B	\$873,520.47

Meeting minutes of May 11, 2021.

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

Resolution No. 8965 relative to amending the Strategic Plan was presented to the Commission. Motion was made by Mr. Flint and seconded by Mr. Cox to approve Resolution No. 8965. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8965

A RESOLUTION AMENDING GRANT PUD’S STRATEGIC PLAN EFFECTIVE May 25, 2021

Recitals

- 1. On April 28, 2020, the Commission by Resolution No. 8941 amended Grant PUD’s Strategic Plan;
- 2. The Strategic Plan is a living document that will be systematically reviewed every six months with the Commission. During these sessions, the board will review progress made towards our goals and identify the strengths, weaknesses, opportunities, and threats facing the utility;
- 3. Slight variations to the document are anticipated regularly and will be reviewed with the Commission. When formal action is taken to revise the Strategic Plan, staff will propose those changes via formal resolution; and
- 4. Grant PUD’s General Manager / CEO recommends adoption of a revised Strategic Plan dated May 25, 2021.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that Grant PUD’s Strategic Plan dated May 25, 2021 is hereby adopted and said Strategic Plan replaces and supersedes Grant PUD’s Strategic Plan dated April 28, 2020.

BE IT FURTHER RESOLVED that Resolution No. 8941 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 25<sup>th</sup> day of May, 2021.

Motion was made by Mr. Flint and seconded by Mr. Cox authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10921 with the Washington Department of Fish and Wildlife (WDFW), in an amount not-to-exceed \$1,136,055.00 and with a contract completion date of June 30, 2024. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

Julie Pyper, Senior Manager of PMO, presented the PMO Report.

Bonnie Overfield, Senior Manager of Treasury, gave the Bond Financing Report.

Trade association and committee reports were reviewed.

Commissioner Schaapman briefly reported on recent discussions with Grant County Commissioners regarding Crescent Bar.

The Commission recessed at 2:45 p.m.

The Commission resumed at 3:00 p.m.

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

There being no further business to discuss, the May 25, 2021 meeting officially adjourned at 3:50 p.m.

\_\_\_\_\_  
Larry Schaapman, President

ATTEST:

\_\_\_\_\_

\_\_\_\_\_

Nelson Cox, Secretary

Judy Wilson, Vice President

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Dale Walker, Commissioner

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Tom Flint, Commissioner

# **REGULAR AGENDA**

*Junior Lien Bond Resolution  
Electric System Revenue Refunding Bond, Series 2021-T*

PUBLIC UTILITY DISTRICT NO. 2 OF

GRANT COUNTY, WASHINGTON

RESOLUTION NO. 8966

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE OF A SUBORDINATE LIEN ELECTRIC SYSTEM REVENUE REFUNDING BOND OF THE DISTRICT IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$50,000,000 TO REFINANCE CERTAIN CAPITAL IMPROVEMENTS TO THE ELECTRIC SYSTEM; PROVIDING THE FORM AND TERMS OF THE BOND; AUTHORIZING THE SALE OF THE BOND; AND APPROVING CERTAIN MATTERS RELATED THERETO.

PASSED June 8, 2021

PREPARED BY:

PACIFICA LAW GROUP LLP  
Seattle, Washington

*Junior Lien Bond Resolution*  
*Electric System Revenue Refunding Bond, Series 2021-T*

PUBLIC UTILITY DISTRICT NO. 2 OF  
GRANT COUNTY, WASHINGTON

Resolution No. 8966

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Exhibit A: Form of Bond

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\* This Table of Contents is provided for convenience only and is not a part of this resolution.

RESOLUTION NO. 8966

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE OF A SUBORDINATE LIEN ELECTRIC SYSTEM REVENUE REFUNDING BOND OF THE DISTRICT IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$50,000,000 TO REFINANCE CERTAIN CAPITAL IMPROVEMENTS TO THE ELECTRIC SYSTEM; PROVIDING THE FORM AND TERMS OF THE BOND; AUTHORIZING THE SALE OF THE BOND; AND APPROVING CERTAIN MATTERS RELATED THERETO.

WHEREAS, Public Utility District No. 2 of Grant County, Washington (the “District”) owns and operates an electric utility system (as further defined herein, the “Electric System”) for the transmission and distribution of electric energy; and

WHEREAS, RCW 54.16.070 provides that a public utility district may contract indebtedness or borrow money for any corporate purpose on its credit or on the revenues of its public utilities; and

WHEREAS, the District has issued and has outstanding certain senior parity lien obligations of the Electric System described as follows (the “Outstanding Parity Bonds”); and

Series	Authorizing Resolution No.
Electric System Revenue Refunding Bonds, Series 2017-O (the “2017-O Bonds”)	8866
Electric System Revenue Refunding Bonds, Series 2020-Q (Taxable) (the “2020-Q Bonds”)	8933
Electric System Revenue Refunding Bonds, Series 2020-R (Mandatory Put Bonds) (the “2020-R Bonds”)	8947
Electric System Revenue Refunding Bonds, Series 2020-S (Mandatory Put Bonds) (the “2020-S Bonds”)	8947

; and

WHEREAS, the resolutions authorizing the Outstanding Parity Bonds (the “Outstanding Parity Bond Resolutions”) authorize the District to issue, from time to time, bonds and notes payable from and secured by a lien on revenues of the Electric System junior and subordinate to the lien thereon of the Outstanding Parity Bonds; and



WHEREAS, by Resolution No. 8914, the District authorized the issuance of \$50,000,000 principal amount of its Electric System Revenue Refunding Bond, Series 2019-P (the “2019 Bond”); and

WHEREAS, the 2019 Bond matures on July 1, 2021, at which time all outstanding principal and accrued interest shall become due and payable; and

WHEREAS, Resolution No. 8914 and the related Bond Purchase Agreement provide that the 2019 Bond may be prepaid in whole or in part by the District on the first business day of each month upon three business days’ notice to the registered owner; and

WHEREAS, the Commission has determined that it is in the best interest of the District to issue and sell a subordinate lien electric system revenue refunding bond in the aggregate principal amount of not to exceed \$50,000,000 (the “Bond”) to provide funds to either prepay, in whole, or pay at maturity the 2019 Bond as provided herein; and

WHEREAS, the District has issued a request for proposals from financial institutions to purchase the Bond authorized herein; and

WHEREAS, the Commission has received a proposal from Bank of America, N.A. to purchase the Bond (the “Purchaser”) and now wishes to authorize the issuance and sale of the Bond to the Purchaser subject to the terms and conditions set forth in this resolution;

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

Section 1. Definitions. As used in this resolution the following words and phrases shall have the meanings herein set forth unless the context shall clearly indicate that another meaning is intended.

“Additional Bonds” means any subordinate lien debt issued on a parity with the Bond.

“Annual Debt Service” for Parity Bonds for any Fiscal Year means the sum of the amounts required to be paid into the bond funds for such Parity Bonds in such Fiscal Year, to pay:

- (a) the interest due in such Fiscal Year on all outstanding Parity Bonds, excluding interest to be paid from the proceeds of the sale of bonds;
- (b) the principal of all outstanding serial Parity Bonds due in such Fiscal Year;
- (c) the sinking fund requirement, if any, for such Parity Bonds in such Fiscal Year; and
- (d) any regularly scheduled District Payments, adjusted by any regularly scheduled Reciprocal Payments, during such Fiscal Year.

Any Parity Bonds which constitute “Balloon Indebtedness” shall be calculated as provided in the Outstanding Parity Bond Resolutions.

In calculating Annual Debt Service, the District may exclude the direct payment the District is expected to receive in respect of any Parity Bonds for which the federal government will provide the District with a direct payment of a portion of the interest from the interest portion of Annual Debt Service.

“Annual Debt Service-Junior Lien Bonds” for Junior Lien Bonds for any Fiscal Year means the sum of the amounts required to be paid into the Bond Fund, in such Fiscal Year, to pay:

- (a) the interest due in such Fiscal Year on all outstanding Junior Lien Bonds, excluding interest to be paid from the proceeds of the sale of bonds;
- (b) the principal of all outstanding serial Junior Lien Bonds due in such Fiscal Year; and
- (c) the sinking fund requirement, if any, for such Junior Lien Bonds in such Fiscal Year.

Any Junior Lien Bonds which constitute “Balloon Indebtedness” shall be calculated as provided in the Outstanding Parity Bond Resolutions.

“Bond” means the Electric System Revenue Refunding Bond, Series 2021-T of the District issued pursuant to this resolution.

“Bond Counsel” means Pacifica Law Group LLP, Seattle, Washington, or any other attorney or firm of attorneys, which is admitted to practice law before the highest court of any state in the United States of America or the District of Columbia and nationally recognized and experienced in legal work relating to the issuance of municipal bonds who is or are selected by the District.

“Bond Fund” means the Junior Lien Electric System Revenue Bond Fund created by the District.

“Bond Purchase Agreement” means the purchase agreement, loan agreement or other contract between the District and the Purchaser and approved by a Designated Representative pursuant to Section 12 of this resolution.

“Bondowners’ Trustee” means a trustee appointed pursuant to the Outstanding Parity Bond Resolutions.

“Call Date” means the date specified by a Designated Representative for the refunding of the 2019 Bond.

“Code” means the Internal Revenue Code of 1986, as amended, and shall include all applicable regulations and rulings relating thereto.

“Commission” means the governing body of the District as the same shall be duly and regularly constituted from time to time.

“Default” means any event or condition that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” has the meaning, if any, set forth in the Bond Purchase Agreement.

“Designated Representative” means any of the officers of the District appointed in Section 12. The signature of one Designated Representative shall be sufficient to bind the District.

“District” means Public Utility District No. 2 of Grant County Washington, a municipal corporation duly organized and existing under and by virtue of the Constitution and laws of the State.

“District Payments” has the meaning given in the Outstanding Parity Bond Resolutions.

“Electric System” means the electric utility and telecommunications properties, rights and assets, real and personal, tangible and intangible, now owned and operated by the District and used or useful in the generation, transmission, distribution and sale of electric energy, telecommunication services, and the business incidental thereto, and all properties, rights and assets, real and personal, tangible and intangible, hereafter constructed or acquired by the District as additions, betterments, improvements or extensions to said electric utility and telecommunications properties, rights and assets, including, but not limited to, the contract interest of the District in the P.E.C. Headworks Powerplant Project and in the Quincy Chute Project, but shall not include the Priest Rapids Project or any additions thereto, or any other generating, conservation, transmission or distribution facilities which heretofore have been or hereafter may be acquired or constructed by the District as a utility system that is declared by the Commission, at the time of financing thereof, to be separate from the Electric System, the revenues of which may be pledged to the payment of bonds issued to purchase, construct or otherwise acquire or expand such separate utility system or are otherwise pledged to the payment of the bonds of another such separate utility system of the District other than the Electric System. The Electric System does not include any interest of the District in contracts for the sale to other parties of power and energy from the Priest Rapids Project, but does include the right of the District to receive power and energy from the Priest Rapids Project. The Commission may, by resolution, elect to combine with and include as a part of the Electric System any other separate utility system of the District, provided that full provision for the payment of any outstanding indebtedness of such separate system shall first be made in the manner set forth herein or such indebtedness shall be refunded with bonds issued in accordance with this resolution.

“Event of Default” has the meaning set forth in Section 10 hereof.

“Fiscal Year” means the Fiscal Year used by the District at any time. At the time of the adoption of this resolution, the Fiscal Year is the twelve-month period beginning January 1 of each year.

“Fitch” means Fitch, Inc., and any successor rating agency.

“Future Parity Bonds” means any note, bonds or other obligations for borrowed money of the District which will have a lien upon the Gross Revenue of the Electric System for the payment

of the principal thereof and interest thereon equal to the lien upon the Gross Revenue of the Electric System for the payment of the principal of and interest on the Outstanding Parity Bonds.

“Governmental Authority” means the government of the United States of America or any other nation or any political subdivision thereof any governmental or quasi-governmental entity, including any court, department, commission, board, bureau, agency, administration, central bank, service, district or other instrumentality of any governmental entity or other entity exercising executive, legislative, judicial, taxing, regulatory, fiscal, monetary or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or European Central Bank), or any arbitrator, mediator or other person with authority to bind a party at law.

“Gross Revenue” means all income and revenues received by the District from the sale of electric energy through the ownership or operation of the Electric System and all other commodities, services and facilities sold, furnished or supplied by the District through the ownership or operation of the Electric System, together with the proceeds received by the District directly or indirectly from the sale, lease or other disposition of any of the properties, rights or facilities of the Electric System, and together with the investment income earned on money held in any fund or account of the District, including any bond redemption funds and the accounts therein, and federal credit payments for interest on bonds, in connection with the ownership and operation of the Electric System (but exclusive of income derived from investments irrevocably pledged to the payment of any specific revenue bonds of the District, such as bonds heretofore or hereafter refunded, or any bonds defeased, or the payment of which is provided for, under any similar provision of any other bond resolution of the District, exclusive of investment income earned on money in any arbitrage rebate account, grants for capital purposes, assessments in any local utility district, any Reciprocal Payments and any ad valorem tax revenues).

“Interest Rate” means the variable rate of interest on the Bond as approved by a Designated Representative and set forth in the Bond Purchase Agreement and in the Bond.

“Interest Payment Date” means the date(s) on which the payment of interest on the Bond is due as approved by a Designated Representative and set forth in the Bond Purchase Agreement and in the Bond.

“Issuance Date” means the date the Bond is initially delivered to the Purchaser.

“Junior Lien Bonds” means the Bond and any Additional Bonds.

“Maturity Date” means the final date of maturity of the Bond as approved by a Designated Representative and set forth in the Bond Purchase Agreement and in the Bond.

“Moody’s” means Moody’s Investors Service, Inc. and any successor rating agency.

“Net Revenue” means, for any period, the excess of Gross Revenue over Operating Expenses for such period, excluding from the computation of Gross Revenue (a) any profit or loss derived from the sale or other disposition, not in the ordinary course of business, of properties, rights or facilities of the Electric System, or resulting from the early extinguishment of debt and (b) insurance proceeds other than proceeds to replace lost revenue.

“Operating Expenses” means the District’s expenses for operation and maintenance of the Electric System and shall include ordinary repairs, renewals, replacements and reconstruction of the Electric System, all costs of delivering electric power and energy and payments into reasonable reserves in the Revenue Fund for items of Operating Expenses the payment of which is not immediately required, and shall include, without limiting the generality of the foregoing, costs of purchased power (including costs of power and energy required by any resolution or contract of the District to be taken by the District from the Priest Rapids Project for the account of the Electric System); costs of transmission and distribution operation and maintenance expenses; rents; administrative and general expenses; engineering expenses; legal and financial advisory expenses; required payments to pension, retirement, health and hospitalization funds; insurance premiums; and any taxes, assessments, payments in lieu of taxes or other lawful governmental charges, all to the extent properly allocable to the Electric System; and the fees and expenses of the Registrar. Operating Expenses shall not include any costs or expenses for new construction, interest, amortization, any allowance for depreciation and District Payments.

“Outstanding Parity Bond Resolutions” mean the resolutions authorizing the issuance of the Outstanding Parity Bonds, as identified in the recitals to this resolution.

“Outstanding Parity Bonds” mean the outstanding 2017-O Bonds, 2020-Q Bonds, 2020-R Bonds and 2020-S Bonds, each as defined in the recitals to this resolution.

“Parity Bond Reserve Funds” mean the reserve funds and/or accounts created by the District to secure the payment of principal of and interest on one or more series of Parity Bonds.

“Parity Bonds” mean the Outstanding Parity Bonds and any Future Parity Bonds.

“Parity Lien Obligations” means all charges and obligations against Gross Revenue ranking on a parity of lien with the Parity Bonds, including but not limited to reimbursement agreement obligations so designated, any regularly scheduled District Payments, adjusted by any regularly scheduled Reciprocal Payments, and Resource Obligations for any month such Resource Obligations are not eligible for payment as Operating Expenses. Parity Lien Obligations do not include Parity Bonds.

“Priest Rapids Development” means the utility system of the District acquired and constructed pursuant to the provisions of Resolution No. 313, adopted by the Commission on June 19, 1956, including a dam at the Priest Rapids Development, all generating and transmission facilities associated therewith, and all additions, betterments and improvements to and extensions of such system, but shall not include any additional generation, transmission and distribution facilities hereafter constructed or acquired by the District as a part of the Electric System, or any other utility properties of the District acquired as a separate utility system, the revenues of which may be pledged to the payment of bonds issued to purchase, construct or otherwise acquire such separate utility system.

“Priest Rapids Project” means the Priest Rapids Development and the Wanapum Development, which were consolidated pursuant to Resolution No. 8475.

“Professional Utility Consultant” means the independent person(s) or firm(s) selected by the District having a favorable reputation for skill and experience with electric systems of

comparable size and character to the Electric System in such of the following as are relevant to the purposes for which they are retained: (a) engineering and operations and (b) the design of rates.

“Purchaser” means Bank of America, N.A., and its successors and assigns.

“R&C Fund” means the Reserve and Contingency Fund of the District created by Resolution No. 4112.

“Rate Stabilization Account” means the account within the R&C Fund.

“Rebate Amount” means the amount, if any, determined to be payable with respect to the Bond by the District to the United States of America in accordance with Section 148(f) of the Code.

“Reciprocal Payments” has the meaning given in the Outstanding Parity Bond Resolutions.

“Registrar” means the Treasurer of the District, the fiscal agent of the State and any other person or entity which may at any time be substituted. The prior written consent of the Purchaser shall be required for a substitution for any other person or entity that is not a District employee or the fiscal agent of the State.

“Resource Obligation” means an obligation of the District to pay the following costs associated with a resource from Gross Revenues as (a) Operating Expenses for any month in which any power and energy or other goods and services from such resource were made available to the Electric System during such month (regardless of whether or not the Electric System actually scheduled or received energy from such resource during such month) and (b) at all other times as an indebtedness of the Electric System payable from Gross Revenues on a parity of lien with Parity Bonds and any Parity Lien Obligation:

(1) costs associated with facilities or resources for the generation of power and energy or for the conservation, transformation, transmission or distribution of power and energy (including any common undivided interest therein) hereafter acquired, purchased or constructed by the District and declared by the Commission to be a separate system, which such costs shall include but are not limited to costs of normal operation and maintenance, renewals and replacements, additions and betterments and debt service on the bonds or other obligations of such separate system but shall exclude costs paid or to be paid from the proceeds of the sale of bonds or other obligations of such separate system, or

(2) costs associated with the purchase of energy, capacity, capability, reserves, conservation or services under a contract.

“Revenue Fund” means the Electric System revenue fund of the District.

“Rule” means the SEC’s Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“S&P” means S&P Global Ratings, and any successor rating agency.

“SEC” means the Securities and Exchange Commission.

“SIFMA Index Rate” has the meaning set forth in the Bond Purchase Agreement.

“State” means the State of Washington.

“Tax Certificate” means the tax certificate executed by a Designated Representative pertaining to the Bond.

“Treasurer” means the duly appointed and acting Treasurer of the District or any successor in function.

“Wanapum Development” means the second stage of the Priest Rapids Hydroelectric Project (F.P.C. (or FERC) Project No. 2114), as more fully described in Section 2.2 of Resolution No. 474 adopted by the Commission on June 30, 1959, or as the same may be modified in accordance with Section 2.3 of Resolution No. 474, but shall not include any generation, transmission and distribution facilities hereafter constructed or acquired by the District as a part of the Electric System, or any other utility properties of the District acquired as a separate utility system, the revenues of which may be pledged to the payment of bonds issued to purchase, construct or otherwise acquire such separate utility system.

“2019 Bond” has the meaning set forth in the recitals hereto.

“2019 Bond Resolution” means District Resolution No. 8914.

## Section 2. Findings.

(a) *Gross Revenue Sufficient.* The Commission hereby finds that the Gross Revenue to be derived by the District from the operation of the Electric System at the rates to be charged for the electricity furnished thereby will be sufficient in the judgment of the Commission to meet all expenses of operation and maintenance, and to make all necessary repairs, replacements and renewals thereof, and to permit the setting aside out of such Gross Revenue and money in the Revenue Fund into the bond funds for the Junior Lien Bonds and Parity Bonds of such amounts as may be required to pay the principal of and interest on the Junior Lien Bonds and Parity Bonds as the same become due and payable.

(b) *Due Regard.* The Commission hereby finds that due regard has been given to the cost of the operation and maintenance of the Electric System and that it has not obligated the District to set aside into the bond funds for the account of the Parity Bonds and the Junior Lien Bonds a greater amount of the revenues and proceeds of the Electric System than in its judgment will be available over and above such cost of operation and maintenance.

(c) *Best Interests of the District.* The Commission hereby finds and determines that it is in the best interests of the District and its customers that the District issue the Bond authorized herein for the purpose of refunding the 2019 Bond.

Section 3. Authorization of Bond; Payment, Registration and Transfer. For the purpose of providing funds to refund, on a current basis, the 2019 Bond, the District hereby

authorizes the issuance of its electric system revenue refunding bond in the principal amount of not to exceed \$50,000,000 (the “Bond”). The Bond shall be designated as “Public Utility District No. 2 of Grant County, Washington, Electric System Revenue Refunding Bond, 2021-T,” shall be dated as of the Issuance Date to the Purchaser and shall mature on the Maturity Date.

The Bond shall bear interest at the Interest Rate, subject to any Default Rate, taxable rate, or other interest rate changes provided for in the Bond Purchase Agreement and set forth in the Bond. Interest on the Bond shall be payable in arrears on each Interest Payment Date and principal of the Bond shall be payable at the Maturity Date. Interest on the Bond shall be computed on the basis of a 360-day year for the actual number of days elapsed, except as otherwise provided for in the Bond.

The Bond shall be issued in fully registered form. Both the principal of and interest on the Bond shall be payable in lawful money of the United States of America by check, warrant, wire transfer or automatic clearinghouse funds to the registered owner of the Bond at the address shown on the Bond Register, or by such other means as the Purchaser shall direct.

The Bond may only be transferred in whole to an institution that meets the criteria set forth in the Bond Purchase Agreement. The Purchaser shall have delivered to the District an investor letter in the form attached to the Bond Purchase Agreement executed by a duly authorized officer of such purchaser.

Section 4. Prepayment. The Bond may be prepaid in whole or in part by the District as provided in the Bond Purchase Agreement.

Section 5. Payment of the Bond; Security. The Bond is a special obligation of the District payable solely from Net Revenues, which are hereby pledged to the repayment of the Bond. The Bond is a special obligation of the District payable solely out of a special fund of the District previously established and designated the Junior Lien Electric System Revenue Bond Fund (the “Bond Fund”). Amounts on deposit in the Bond Fund shall be drawn upon only for the purpose of paying the principal of and interest on the Junior Lien Bonds on a ratable basis as such amounts become due and payable.

The District hereby covenants that on or before an installment of interest or principal on the Bond is due, it will deposit in the Bond Fund amounts out of the Revenue Fund as shall be necessary, when added to other amounts paid into the Bond Fund, to pay the interest and principal due on the Bond as the same becomes due. The Junior Lien Bonds shall have a lien on Net Revenues, which lien is junior solely to the outstanding Parity Bonds and Parity Lien Obligations.

The District agrees to use its best efforts to issue Parity Bonds or Additional Bonds and use the proceeds thereof, together with available Gross Revenues, to repay the Bond on or before the Maturity Date.

There is no debt service reserve, other reserve fund or credit enhancement securing repayment of the Bond. The Bond shall not constitute a general obligation or pledge of the faith and credit of the District or debt or pledge of the faith and credit of the State or any other municipal corporation or political subdivision thereof or a debt of any other system of the District except the Electric System.



Section 6. Revenue Fund. The District covenants that it will pay all Gross Revenues into the Revenue Fund as promptly as practicable after receipt thereof. The District further covenants that for so long as the Bond shall be outstanding, all of such money shall be used only for the following purposes and in the following order of priority:

(a) to pay Operating Expenses and Resource Obligations (to the extent payable as Operating Expenses);

(b) to make all payments required to be made into the bond fund(s) for the Parity Bonds for the payment of accrued interest on such Parity Bonds on the next interest payment date and to make any District Payments;

(c) to make all payments required to be made into the bond fund(s) for the Parity Bonds for the payment of the principal amount of serial bonds next coming due, and for the optional or mandatory redemption of term bonds, for such Parity Bonds;

(d) to make all payments required to be made into the Parity Bond Reserve Funds for any Parity Bonds, or to meet a reimbursement obligation with respect to any qualified insurance or qualified letter of credit or other credit enhancement device, if so required by resolution of the Commission;

(e) to make all payments required to be made into the Bond Fund for the payment of accrued interest on the Junior Lien Bonds on the next interest payment date;

(f) to make all payments required to be made into the Bond Fund for the payment of the principal amount of the Junior Lien Bonds next coming due; and

(g) to make all payments required to be made into any special fund or account created to pay or secure the payment of the principal of and interest on any revenue bonds, warrants or other revenue obligations of the District having a lien upon Gross Revenue and money in the Revenue Fund, bond fund for the Parity Bonds and Bond Fund and accounts therein junior and inferior to the lien thereon for the payment of the principal of and interest on the Parity Bonds and the Junior Lien Bonds, including any payments other than debt service owed.

After all of the above payments and credits have been made, amounts remaining in the Revenue Fund may be used for any other lawful purpose of the District.

Resource Obligations, not payable as Operating Expenses, shall be paid on a parity with the Parity Bonds as provided in subsections (b) and (c) above.

The District may from time to time deposit Net Revenues into the Rate Stabilization Account in the R&C Fund and may from time to time withdraw amounts therefrom to enhance rate stability or for other lawful purposes of the District related to the Electric System. Solely for purposes of calculating the coverage requirements set forth in Sections 7(b) and 8(d), there shall be added to the Net Revenue in any year any amount withdrawn from the Rate Stabilization Account in such calendar year and deposited in the Revenue Fund, and there shall be subtracted from Net Revenue in any year any amount withdrawn from the Revenue Fund and deposited in the Rate Stabilization Account.

Section 7. Covenants.

(a) *General Rate Covenant.* The District shall establish, maintain and collect rates or charges for electric energy sold through the ownership or operation of the Electric System, and all other commodities, services and facilities sold, furnished or supplied by the District in connection with the ownership or operation of the Electric System that shall be fair and nondiscriminatory and adequate to provide Gross Revenue, together with other available money, including without limitation transfers from the R&C Fund, sufficient for the payment of the principal of and interest on all outstanding Parity Bonds and Junior Lien Bonds, and for the proper operation and maintenance of the Electric System, and all necessary repairs, replacements and renewals thereof, the working capital necessary for the operation thereof, and for the payment of all amounts that the District may now or hereafter become obligated to pay from Gross Revenue, including any indebtedness of the District issued on a basis subordinate to the Bond.

In the resolutions authorizing the bonds for the Priest Rapids Project, the District has covenanted to pay to the Priest Rapids Project from the Electric System that portion of the annual costs of the Priest Rapids Project for such Fiscal Year, including without limitation for operating expenses and annual debt service due on bonds issued for the Priest Rapids Project, that is not otherwise paid or provided for from payments received by the Priest Rapids Project from the sale of power and energy and related products from the Priest Rapids Project to purchasers other than the District and to establish, maintain and collect rates or charges for electric power and energy and related products sold through the Electric System sufficient to make any such payments to the Priest Rapids Project. To the extent the obligation of the Electric System to pay any costs of the Priest Rapids Project are not Operating Expenses, they shall rank as a lien and charge against the revenues of the Electric System junior in rank to all other obligations of the Electric System. Payments made by the Electric System for the costs of purchased power and energy shall be an Operating Expense of the Electric System.

(b) *Coverage Requirement.* Rates and charges collected by the District shall be sufficient to provide Net Revenue, taking into account any transfers to or from the R&C Fund pursuant to Section 6, in any Fiscal Year hereafter in an amount equal to at least

(1) 1.25 times the Annual Debt Service due in such Fiscal Year on the Parity Bonds, excluding any capitalized interest thereon in said Fiscal Year,

(2) 1.10 times the interest due in such Fiscal Year on any Junior Lien Bonds, that (A) mature in five years or less (not taking into account any term-out), (B) do not amortize and have principal that is all due on their maturity date, and (C) for which the District has agreed to issue debt to repay such bonds prior to their maturity date, and

(3) 1.10 times the Annual Debt Service – Junior Lien Bonds due in such Fiscal Year on all other Junior Lien Bonds.

The failure to collect Gross Revenue in any Fiscal Year sufficient to comply with the covenant contained in this section shall not constitute an Event of Default if the District, before the 90th day of the following Fiscal Year, both

(A) employs a Professional Utility Consultant to recommend changes in the District's rates which are estimated to produce Gross Revenue sufficient (once the rates recommended by the Professional Utility Consultant have been imposed by the District) to meet the requirements of this section; and

(B) imposes rates at least as high as those recommended by such Professional Utility Consultant at the time or times so recommended.

(c) *Operations of Electric System.* The District will at all times maintain, preserve and keep the Electric System and all additions and betterments thereto and extensions thereof and every part and parcel thereof in good repair, working order and condition, and will from time to time make all necessary and proper repairs, renewals, replacements, extensions and betterments thereto so that at all times the business carried on in connection therewith shall be properly and advantageously conducted, and the District will at all times operate such properties and the business in connection therewith in an efficient manner and at reasonable cost.

(d) *Sale or Disposition.* The District will not sell, mortgage, lease or otherwise dispose of or encumber all or any portion of the Electric System properties, or permit the sale, mortgage, lease or other disposition thereof, except as hereinafter provided in this subsection (d).

(1) The District may sell, lease or otherwise dispose of all or substantially all of the Electric System, provided that simultaneously with such sale, lease or other disposition, the District shall cause the Bond to be, or deemed to be, no longer outstanding.

(2) Except as provided in the last paragraph of this subsection, the District will not sell, mortgage, lease or otherwise dispose of any part of the Electric System in excess of 5% of the value of the net utility plant of the Electric System in service unless prior to such sale, mortgage, lease or other disposition:

(A) there shall have been filed with the Secretary of the Commission a certificate of a Professional Utility Consultant stating that such sale, mortgage, lease or other disposition will not impair the ability of the District to comply with the covenants set forth in Sections 7(a) and (b) of this resolution; or

(B) the proceeds of such disposition are used to acquire new operating properties of the Electric System or provision is made for the payment, redemption or other retirement of a principal amount of the Junior Lien Bonds equal to the greater of the following amounts:

(I) an amount which will be in the same proportion to the net principal amount of the Junior Lien Bonds then outstanding (defined as the total principal amount of such bonds then outstanding less the amount of cash and investments in the Bond Fund) that the Gross Revenues attributable to the part of the Electric System sold or disposed of for the 12 preceding months bear to the total Gross Revenues for such period; or

(II) an amount which will be in the same proportion to the net principal amount of the Junior Lien Bonds then outstanding that the book value of the part of the

Electric System sold or disposed of bears to the book value of the entire Electric System immediately prior to such sale or disposition.

The District may sell or otherwise dispose of any part of the Electric System which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the Electric System, or no longer necessary, material to or useful in such operation.

(e) *Insurance.* The District will keep the works, plants, properties and facilities comprising the Electric System insured, and will carry such other insurance, with responsible insurers, with policies payable to the District, against risks, accidents or casualties, at least to the extent that insurance is usually carried by municipal corporations operating like properties; provided, however, that the District may, if deemed necessary and advisable by the Commission, institute or continue a self-insurance program with respect to any or all of the aforementioned risks.

(f) *Books and Accounts.* The District shall keep proper books of account in accordance with generally accepted accounting principles as applied to governmental entities and with the rules and regulations prescribed by the Division of Municipal Corporations of the State Auditor's office of the State, or other State department or agency succeeding to such duties of the State Auditor's office, and if no such rules or regulations are prescribed as aforesaid, then in substantial accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission or other federal agency having jurisdiction over electric public utility companies owning and operating properties similar to the properties of the District, whether or not the District is at the time required by law to use such system of accounts. The District shall cause its books of account to be audited annually by the State Auditor's office or other State department or agency as may be authorized and directed by law to make such audits, or if such an audit shall not be made for twelve months after the close of any Fiscal Year of the District, by independent certified public accountants. In keeping said books of account, the District shall accrue depreciation monthly thereon on its depreciable properties in accordance with the accounting practice prescribed by the public departments or agencies above mentioned. All calculations, classifications and other financial determinations required by this resolution shall be made in accordance with the accounting practices then being observed by the District. The District will permit any person designated by the Purchaser (at the expense of the Purchaser, unless and until a Default or Event of Default has occurred, at which time such expenses shall be borne by the District) to visit any of the offices of the District to examine the books and financial records (except books and financial records the examination of which by the Purchaser is prohibited by law or by attorney or client privilege), including minutes of meetings of any relevant governmental committees or agencies, and make copies thereof or extracts therefrom, and to discuss the affairs, finances and accounts of the District with their principal officers, employees and independent public accountants, all at such reasonable times and as often as the Purchaser may reasonably request.

(g) *Free Service.* Except as required by law or in an amount per year not exceeding 1/10 of 1% of annual Operating Expenses, the District will not furnish or supply or permit the furnishing or supplying of electric energy or any other commodity, service or facility furnished by or in connection with the operation of the Electric System, free of charge to any person, firm or corporation, public or private, so long as any Junior Lien Bonds are outstanding and unpaid, and to the extent permitted by law the District will promptly enforce the payment of any and all accounts owing to the District and delinquent; provided, that, to the extent permitted by law, the

District may lend money and may provide commodities, services or facilities free of charge or at a reduced charge in connection with a plan of conservation of electric energy adopted by the Commission.

(h) *FERC License.* The District will use its best efforts to retain the FERC License for the Priest Rapids Project.

(i) *Amendments.* The District will not amend this resolution without the Purchaser's prior written consent.

(j) *Refinance Covenant.* The District agrees to use its best efforts to issue Parity Bonds or Additional Bonds and use the proceeds thereof, together with available Gross Revenues, to repay the Bond on or before the Maturity Date.

#### Section 8. Additional Debt and Obligations.

(a) *Parity Bonds.* The District reserves the right to issue additional Parity Bonds if it meets the conditions to such issuance set forth in the Outstanding Parity Bond Resolutions. The resolutions authorizing the Parity Bonds and Junior Lien Bonds shall not permit acceleration or other event or circumstance whereby the principal of such obligations becomes immediately due and payable as a remedy upon an event of default.

(b) *Resource Obligation.* The District may enter into or incur a Resource Obligation pursuant to a resolution of the Commission provided that the requirements set forth in the resolutions authorizing the outstanding Parity Bonds shall be met at the time of adoption of such resolution.

The District shall not hereafter enter into any agreement, other than a Resource Obligation, obligating the District to pay to another person, entity or separate system of the District, from Gross Revenue, for (i) generating or transmission capacity or energy or the use or lease of generating or transmission facilities, under which agreement payment is not conditioned on the availability of such capacity, energy or facility, or (ii) the installment purchase or lease of property which, whether or not subject to annual appropriations, otherwise transfers to the District the burdens and benefits of ownership of such property, unless such agreement specifically states that the obligation of the District thereunder is junior to the obligation of the District to make payments from the Revenue Fund into the Bond Fund. This paragraph shall not be applicable to, and shall not restrict the District in entering into, any agreement relating to the Priest Rapids Project or any other hydroelectric facility owned and operated by the District.

(c) *Separate Systems.* Nothing in this resolution shall prevent the District from entering into contracts to purchase energy, capacity, capability, reserves, conservation or services or from authorizing and issuing bonds, notes, certificates or other obligations or evidences of indebtedness, including debt of the Priest Rapids Project, to acquire or construct facilities or resources for the generation of power and energy, or for the conservation, transformation or transmission of power and energy, and any incidental properties to be constructed or acquired in connection therewith, which facilities or resources shall be a separate system, provided that such contractual obligations, bonds or other obligations or evidences of indebtedness shall be payable

solely from the revenues or other income derived from the ownership or operation of such separate system.

(d) *Additional Bonds on a Parity with the Bond.* The District covenants that debt on a parity with the Bond (“Additional Bonds”) shall be issued only upon compliance with the following conditions:

(1) That at the times of the issuance of such Additional Bonds there is no deficiency in the Bond Fund and no Event of Default has occurred and is continuing.

(2) That the Net Revenue of the Electric System for any 12 consecutive months out of the 24 months next preceding the issuance of the Additional Bonds (not including any transfer from the R&C Fund), will equal at least

(A) 1.10 times the interest due in such Fiscal Year and each Fiscal Year thereafter on the Junior Lien Bonds then outstanding and any proposed Additional Bonds that (i) mature in five years or less, (ii) do not amortize and have principal that is all due on their maturity date, and (iii) for which the District has agreed to issue debt to repay such bonds prior to their maturity date, and

(B) 1.10 times the Annual Debt Service – Junior Lien Bonds due in such Fiscal Year and each Fiscal Year thereafter on all other Junior Lien Bonds then outstanding and any proposed Additional Bonds.

In making the calculations for purposes of this subsection (2), if the interest rate on the outstanding Junior Lien Bonds and any Additional Bonds is other than a fixed rate, the rate used shall be any rate published as the Bond Buyer Revenue Bond Index for municipal revenue bonds within the 30-day period prior to the date of such calculation. If such index is no longer published, another nationally recognized index for municipal revenue bonds maturing in 20 to 30 years may be used. If on the date of such calculation the interest rate on any variable rate bonds shall then be fixed for a specified period, including pursuant to a derivative product, the interest rate used for such specified period for the purpose of the foregoing calculation shall be such actual interest rate.

For the purposes of this subsection (2), the “Net Revenue of the Electric System” may be adjusted as follows:

(A) To include a full 12 months of net revenue from any customers added during the 12-month period being considered.

(B) To include the annual estimated net revenue to be received as a result of any additions, betterments and improvements to and extensions of the Electric System to be acquired, constructed or installed by the District from the proceeds of the Additional Bonds to be issued or under construction at the time of such certificate.

(C) To include the additional net revenue which would have been received by the District if any rate change adopted prior to the delivery of the Additional Bonds, but subsequent to the beginning of the 12-month period being considered, had been in force during the full 12-month period.

(3) That at or prior to the time of the issuance of such Additional Bonds the District shall obtain and have on file a certificate from the Treasurer which shall certify full compliance with conditions (1) and (2) of this subsection, or in the alternative the District obtains a certificate from a Professional Utility Consultant stating that the projected annual Net Revenue for the Fiscal Years in which the Bond, and Additional Bonds that mature in five years or less and for which the District has pledged to issue debt to repay such bonds prior to their maturity are expected to at least equal 1.10 times the interest required to be paid in any Fiscal Year thereafter and that the projected annual Net Revenue for the Fiscal Years in which all other Additional Bonds are expected to at least equal 1.10 times the interest required to be paid in any Fiscal Year thereafter. Such certificate shall have attached thereto financial statements of the District for the period upon which the same is based and audits by the Division of Municipal Corporations of the State Auditor's Office of the State or from an independent certified public accountant for as many fiscal years within such period as such audits have been made and completed.

In the event that any Additional Bonds provided for in this section are issued for the sole purpose of exchanging with or providing funds to purchase or refund or redeem and retire at or prior to their maturity any or all of the outstanding Junior Lien Bonds and the issuance of such refunding Additional Bonds will not require a greater amount (except as necessary to round out maturities to the nearest \$5,000) to be paid in any Fiscal Year thereafter than would have been required to be paid in the same Fiscal Year for debt service on the bonds being refunded, then subsections (2) and (3) need not be complied with to permit such refunding Additional Bonds to be issued.

(c) *Obligations Subordinate to the Junior Lien Bonds.* The District may issue bonds, notes, warrants or other obligations payable from and secured by a lien on the Gross Revenue and funds of the Electric System that is junior to the lien on such Gross Revenue as the Junior Lien Bonds as long as such debt is not subject to acceleration, mandatory tender or mandatory prepayment, and may create a special fund or funds for payment of such junior obligations.

(d) *Derivative Products.* To the extent permitted by state law, the District may enter into derivative products on a parity with the Parity Bonds subject to the conditions set forth in the resolutions authorizing the outstanding Parity Bonds.

Section 9. Tax Covenants. The District hereby covenants to comply with all applicable requirements set forth in the Code to the extent that such compliance shall be necessary to maintain the exclusion from gross income for federal income taxes of the interest on the Bond. The District hereby further covenants to observe all applicable requirements in any future federal tax legislation to the extent that such compliance is determined by the District to be legal and practicable and required for such exemption.

The District will pay the Rebate Amount, if any, to the United States of America at the times and in the amounts necessary to meet the requirements of the Code to maintain the exclusion from gross income for federal income taxes of the interest on the Bond, in accordance with the Tax Certificate.

Section 10. Events of Default. The Commission of the District hereby finds and determines that the continuous operation of the Electric System and the collection, deposit and

disbursement of the Gross Revenue in the manner provided in this resolution are essential to the payment and security of the Bond, and the failure or refusal of the District to perform the covenants and obligations contained in this resolution will endanger the necessary continuous operation of the Electric System and the application of the Gross Revenue to the purposes set forth in this resolution.

The District hereby covenants and agrees with the owner of the Bond, in order to protect and safeguard the covenants and obligations undertaken by the District securing the Bond, that the following shall constitute "Events of Default":

(a) If default shall be made in the due and punctual payment of principal of or interest on the Junior Lien Bonds or any Parity Bonds when the same shall become due and payable;

(b) If the District shall default in the observance and performance of any other of the covenants, conditions and agreements on the part of the District contained in this resolution or the Bond Purchase Agreement and such default or defaults shall remain unremedied for a period of 60 days after the earlier of (i) Bond owner providing written notice to the District of such default or (ii) the occurrence thereof;

(c) If an order, judgment or decree shall be entered by any court of competent jurisdiction: (1) appointing a receiver, trustee or liquidator for the District or the whole or any substantial part of the Electric System; (2) approving a petition filed against the District seeking the bankruptcy, arrangement or reorganization of the District under any applicable law of the United States or the State; or (3) assuming custody or control of the District or of the whole or any substantial part of the Electric System under the provisions of any other law for the relief or aid of debtors and such order, judgment or decree shall not be vacated or set aside or stayed (or, in case custody or control is assumed by said order, such custody or control shall not be otherwise terminated) within 60 days from the date of the entry of such order, judgment or decree;

(d) If the District shall: (1) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended (2) admit in writing its inability to pay its debts generally as they become due; (3) file a petition in bankruptcy or seeking a composition of indebtedness under any state or federal bankruptcy or insolvency law; (4) make an assignment for the benefit of its creditors; (5) consent to the appointment of a receiver of the whole or any substantial part of the Electric System; or (6) consent to the assumption by any court of competent jurisdiction under the provisions of any other law for the relief or aid of debtors of custody or control of the District or of the whole or any substantial part of the Electric System;

(e) The District's obligations or the pledge of Net Revenues created under this resolution or the Bond shall not be, or shall cease to be, binding and enforceable in accordance with their respective terms, or the District shall challenge or otherwise contest any of the enforceability or validity of the same in writing or in a public statement;

(f) The District has defaulted on a legal judgment of more than \$10,000,000 and all appeal periods have run and no appeal has been filed;



(g) The District's rating on its Parity Bonds by Moody's, S&P or Fitch is downgraded to or below Baa1, BBB+, or BBB+, respectively, or the District does not maintain a rating on its Parity Bonds by at least one of Moody's, S&P or Fitch; or

(h) A moratorium shall have been declared or announced by the District (whether or not in writing) or any Governmental Authority with respect to the District's authority to repay any debt of the District.

Section 11. Remedies. Upon the happening of an Event of Default and during the continuance thereof, the Bond owner may institute such suits or other proceedings, all as it may deem appropriate for the protection and enforcement of the rights of the owner of the Bond to collect any amounts due and owing to or from the District, or to obtain other appropriate relief.

Upon the happening of an Event of Default, the Bond shall bear interest at the Default Rate, if and to the extent provided for in the Bond Purchase Agreement.

In the Bond Purchase Agreement the Purchaser shall acknowledge that the resolutions authorizing the Parity Bonds govern the flow of funds in the event of a default by the District under those resolutions and provide for the appointment of a Bondowners' Trustee for the Parity Bonds.

Nothing contained in this resolution or the Bond Purchase Agreement shall, in any event or under any circumstance, be deemed to authorize the acceleration of maturity of principal on the Bond, and the remedy of acceleration is expressly denied to the owner of the Bond under any circumstances including, without limitation, upon the occurrence and continuance of an Event of Default.

Section 12. Sale of the Bond; Disposition of Proceeds.

(a) *Sale of the Bond.* The Commission has determined that it is in the best interest of the District to delegate to the General Manager, Chief Financial Officer, and Treasurer (each a "Designated Representative") the authority to approve the final terms of the Bond subject to the provisions of this resolution.

Subject to the terms and conditions set forth in this Section 12, each Designated Representative is hereby authorized to approve the principal amount, dated date, Interest Payment Dates, Maturity Date, redemption/prepayment provisions, Interest Rate, Default Rate, taxable rate, term out provisions, tender provisions, and other terms of the Bond that are in the best interest of the District so long as: (1) the final Maturity Date is not later than three years from the Issuance Date of the Bond; (2) the principal amount of the Bond does not exceed \$50,000,000; (3) the Bond shall be dated as of the Issuance Date, which is not later than July 1, 2021; and (4) the initial Interest Rate on the Bond as of the Issuance Date shall not exceed 2.0%.

The Bond shall be sold by negotiated sale to the Purchaser. Subject to the terms and conditions set forth in this Section 12, each Designated Representative is hereby authorized to execute the Bond Purchase Agreement.

Upon the passage and approval of this resolution, the proper officials of the District including the Designated Representatives, are authorized and directed to undertake all action

necessary for the prompt execution and delivery of the Bond to the Purchaser and further to execute all closing certificates, agreements, loan agreement, and documents required to effect the closing and delivery of the Bond in accordance with the terms of the this resolution and the Bond Purchase Agreement.

(b) *Disposition of Bond Proceeds.* The District proposes to pay at maturity or the Call Date the 2019 Bond. All or a portion of the proceeds of the Bond, plus other available funds of the District, if any, in the amount necessary to pay at maturity or prepay the 2019 Bond, in whole, plus any prepayment premium, fee or penalty, shall be deposited into the Bond Fund (as defined in the 2019 Bond Resolution) for the 2019 Bond or another fund or account selected by a Designated Representative, and used within 30 days of the date of issuance of the Bond to either pay at maturity or prepay the 2019 Bond in whole.

Section 13. Reporting Requirements. The Bond is exempt from ongoing disclosure requirements of the Rule. The District shall furnish to the Purchaser certain information respecting the affairs, condition and/or operations, financial or otherwise, of the District as set forth in the Bond Purchase Agreement and/or as may be reasonably requested by the Purchaser from time to time.

Section 14. Form of Bond. The Bond shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference, with such changes thereto as may be approved by a Designated Representative, consistent with the provisions of this resolution.

Section 15. Execution of Bond. The Bond shall be signed in the corporate name of the District with the manual or facsimile signature of the President of the Commission and attested by the manual or facsimile signature of the Secretary of the Commission. The seal of the District shall be impressed on the Bond. In case either of the officers who shall have executed the Bond shall cease to be an officer or officers of the District before the Bond so signed shall have been issued by the District, the Bond may nevertheless be delivered and issued and upon such delivery and issuance shall be as binding upon the District as though those who signed the same had continued to be such officers of the District. The Bond may also be signed and attested on behalf of the District by such persons as at the actual date of execution of such Bond shall be the proper officers of the District although at the original date of such Bond any such person shall not have been such Officer of the District.

Section 16. Sale of Bond; Fees. The sale of the Bond to the Purchaser under the terms and conditions of this resolution is hereby approved and confirmed. Upon delivery of the Bond, the District is hereby authorized to pay fees associated with the issuance of the Bond, including reasonable fees of the Purchaser and Purchaser's counsel.

Section 17. Authorization to Officials and Agents. The appropriate District officials, agents and representatives are hereby authorized and directed to do everything necessary for the prompt issuance, execution and delivery of the Bond.

Section 18. Changes in Accounting. The calculation of certain covenants and compliance therewith may be made solely with reference to this resolution without regard to future changes in generally accepted accounting principles. If the District has changed one or more of

the accounting principles used in the preparation of its financial statements, because of a change in generally accepted accounting principles or otherwise, then a default relating to such covenants shall not be considered an Event of Default hereunder if such calculations would have been complied with had the District continued to use those accounting principles employed at the date of the most recent audited financial statements prior to the date of this resolution.

Section 19. Corrections. Upon approval of the District's General Counsel and Bond Counsel, the District Secretary is hereby authorized to make necessary corrections to this resolution, including but not limited to the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; numbering and section/subsection numbering; and other similar necessary corrections.

Section 20 Effective Date of Resolution. This resolution shall be in effect from and after its adoption in accordance with law.

ADOPTED by the Commission of Public Utility District No. 2 of Grant County, Washington, at a regular meeting thereof this 8th day of June, 2021.

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT  
COUNTY, WASHINGTON

By: \_\_\_\_\_  
President and Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

ATTEST:

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

## CERTIFICATION

I, the undersigned, Secretary of the Commission of Public Utility District No. 2 of Grant County, Washington (the "District"), and keeper of the records of the Commission (the "Commission") DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Resolution No. 8966 (the "Resolution") of the Commission, duly adopted at a regular meeting thereof held on the 8th day of June, 2021.

2. That said meeting was duly convened and held in all respects in accordance with law, including but not limited to Washington State Governor Inslee's emergency proclamation No. 20-28 issued on March 24, 2020, as amended and supplemented, temporarily suspending portions of the Open Public Meetings Act ( chapter 42.30 RCW), and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

Dated this 8th day of June, 2021.

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Secretary of the Commission of  
Public Utility District No. 2 of  
Grant County, Washington

**EXHIBIT A**

**FORM OF BOND**

**[TRANSFER RESTRICTIONS]**

No. 1

\$ \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF WASHINGTON

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

ELECTRIC SYSTEM REVENUE REFUNDING BOND, SERIES 2021-T

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

Registered Owner: \_\_\_\_\_

Public Utility District No. 2 of Grant County, Washington, a municipal corporation of the State of Washington (the "District"), hereby acknowledges itself to owe and for value received promises to pay but solely from the Junior Lien Electric System Revenue Bond Fund (the "Bond Fund"), to the Registered Owner identified above the Principal Amount stated above. This bond shall bear interest at the SIFMA Index Rate, subject to the Default Rate upon the occurrence and during the continuation of an Event of Default until the date on which the Default (each as defined in the hereinafter defined Purchase Agreement) is cured or otherwise waived by the Registered Owner. Interest on this bond shall be payable in arrears on the first business day of each calendar month and the Maturity Date or the date of prior redemption in whole (each, an "Interest Payment Date"). Principal of this bond shall be payable at the Maturity Date, subject to prior redemption. Interest on this bond shall be computed on the basis of a 360-day year for the actual number of days elapsed.

This bond is issued under and in accordance with the provisions of the Constitution and applicable statutes of the State of Washington, District Resolution No. 8966 adopted on June 8, 2021 (the "Bond Resolution"), and the Bond Purchase Agreement dated \_\_\_\_\_, 2021 between the District and Bank of America, N.A. (the "Purchase Agreement"). Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bond Resolution and/or the Purchase Agreement, as applicable.

This bond is a special obligation of the District and is payable solely from the Bond Fund. This bond has a lien on Gross Revenue junior to the payment of Operating Expenses of the Electric System and Parity Bonds of the Electric System and on a parity with any Additional Bonds. Reference to the Bond Resolution and the Purchase Agreement is hereby made for description of this bond, the funds applicable to the payment of this bond, the covenants and agreements of the District, including the conditions under which other obligations of the District may be issued.

This bond shall not be deemed to constitute a general obligation or pledge of the faith and credit of the District or debt or pledge of the faith and credit of the State of Washington or any

other municipal corporation or political subdivision thereof or a debt of any other system of the District except the Electric System.

This bond may be prepaid in whole or in part by the District on any Interest Payment Date without penalty upon three (3) Business Days' notice to the Registered Owner as provided in the Purchase Agreement. Interest shall cease to accrue on the date this bond is prepaid in full.

This bond is transferable by the Registered Owner hereof, but only in the manner and subject to the limitations provided in the Purchase Agreement. Upon such transfer a new fully registered bond for the same aggregate principal amount will be issued to the transferee in exchange therefor.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened, been done and performed precedent to and in the issuance of this bond have happened, been done and performed and that the issuance of this bond does not violate any constitutional, statutory or other limitation upon the amount of bonded indebtedness that the District may incur.

IN WITNESS WHEREOF Public Utility District No. 2 of Grant County Washington by its Commission has caused this bond to be signed with the manual or facsimile signature of the President of the Commission and attested by the manual or facsimile signature of the Secretary thereof, and the seal of the District to be impressed hereon, as of this \_\_\_\_ day of \_\_\_\_\_, 2021.

PUBLIC UTILITY DISTRICT NO. 2 OF  
GRANT COUNTY, WASHINGTON

(SEAL)

By /s/ manual or facsimile signature  
President of the Commission

ATTEST:

/s/ manual or facsimile signature  
Secretary of the Commission

#### REGISTRATION CERTIFICATE

This bond is registered in the name of the Registered Owner on the books of the District, in the office of the Treasurer of the District (the "Registrar"), as to both principal and interest, as shown in the registration blank below. All payments of principal of and interest on this bond shall be made by the District with full acquittance by the Registrar's wire transfer, made payable to the last Registered Owner as shown hereon and on the registration books of the Registrar at his/her address bonded hereon and on the registration books of the Registrar.

Date of Registration	Name and Address of Registered Owner	Signature of Registrar
_____, 2021		_____ Treasurer, Public Utility District No. 2 of Grant County, Washington

## MEMORANDUM

May 7, 2021

**TO:** Kevin Nordt, General Manager

**VIA:** Jeff Bishop, Chief Financial Officer  
Bonnie Overfield, Senior Manager of Treasurer  
Angelina Johnson, Treasury Operations Supervisor

*Bonnie Overfield*  
*Angelina Johnson*

**FROM:** Angie Smith, Treasury Accountant **AS**

**SUBJECT:** Resolution for the refunding of Electric System 2019-P Direct Placed Bond

Purpose: To submit to the Commission the bond resolution for the refunding of the Electric System 2021-T Bond during the 5/25/2021 commission meeting.

Discussion: The District's refunding of the Electric System 2019-P Direct Placed Variable Rate Bond requires board delegation to management to execute. Attached is the bond resolution to delegate authority to the District Representative to proceed with the remarketing transaction. The bond resolution provides for a not to exceed amount of \$50 million to remarket the existing Electric System 2019-P Direct Purchase Series (maturity date of 7/01/2021). The new series of bonds conforms to the District's variable rate, short term debt program to include the following:

- A final maturity date not to exceed three years from the issue date
- Within the parameters of a fixed or variable rate short term product
- In alignment with the District's asset/liability matching program to target total short-term issued debt in the program amount of \$150 million in total, aligning with liquid fund levels
- Maintain the program's staggering remarketing timings for dollar cost averaging that reduces risk associated with market volatility
- Conforms to established debt covenants for subordinate debt

The District's Financial Advisor, Public Financial Management, assisted the District in analyzing the options and costs associated with the refunding of this product. After extensive analysis of different scenarios to include fixed rate and variable rate products, historical market considerations and term structures, the most economical option indicates that a 3-year Direct Purchase product based on the SIFMA index is the preferred pricing index for this product and is the best option to meet the needs of the District.

District bond counsel, Pacifica Law Group LLC, and tax counsel, Nixon Peabody LLC, represents the District on legal matters in execution of the transaction, including the preparation of the delegating resolution.

**Recommendation:**

To request Commission review and approval of the bond resolution for refunding of the Electric System 2021-T Bond during the May 11<sup>th</sup>, 2021 meeting for approval at the May 25<sup>th</sup> meeting.



Motion was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 10 to Contract 230-08636 with IMCO General Construction, Inc., increasing the not-to-exceed contract amount by \$4,258,940.00 for a new contract total of \$39,584,485.46 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. 10.

# MEMORANDUM

May 10, 2021

**TO:** Kevin Nordt, General Manager/Chief Executive Officer

**VIA:** Richard Wallen, Chief Operations Officer

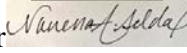
Ty Ehrman, P.E., Managing Director of Power Production 

Dale Campbell, P.E., Senior Manager of Power Production Engineering 

Brandon Little, P.E., Chief Dam Safety Engineer

Rebecca Simpson, Civil and Dam Safety Engineering Manager 

**FROM:** Chris Steinmetz, Dam Safety Engineer 

Vanessa Seldal, PMP, Project Manager 

**SUBJECT:** Contract 230-08636, Change Order No. 010

## **Purpose:**

To request Commission approval of Change Order No. 10 to Contract 230-08636 to approve a not to exceed total of \$4,258,940.00 for an alternative rock source use and additional standby.

## **Discussion:**

Contract 230-08636 was awarded to IMCO General Construction, Inc. on January 28, 2020. The Contract was executed to construct a replacement dam for the far right (West) embankment at Priest Rapids Dam that would withstand the anticipated ground motions resulting from the Maximum Credible Earthquake. At the time of Award, the District and Contractor anticipated issuing the Limited Notice to Proceed (LNTP) within 45 calendar days. Unfortunately, the Department of Energy (DOE) required the District to include the replacement of their roadway in the project Environmental Assessment (EA) resulting in an EA amendment that needed to be approved by FERC. The final EA amendment has been received however a land use agreement with the Army was needed to secure the rock quarry. The Army was not willing to provide permission until Grant PUD received Federal Energy Regulatory Commission (FERC) approval for the project. The Army had indicated that they would need 90 days after the FERC permission to provide a land use agreement. After Grant PUD received the EA, and final FERC approval for the project, the Army's timeline for providing permission changed drastically. The current estimate for permission to use the Army's rock quarry is now 16 months. Due to this unrealistic timeframe, the potential risk of not receiving permission from the Army and a FERC mandate to address known dam safety issues on the Priest Rapids Right Embankment which is already behind schedule, moving to a commercial rock source and starting the Right Embankment repairs is the only viable way to proceed.

Transitioning to a commercial rock will cost \$3,288,500. Additionally, standby for the contractor expires June 16, 2021 and cost negotiations for restarting a large contract are underway but not expected to be finalized by June 16. As a result, the Contractor will be unavoidably delayed and entitles IMCO to delay costs under the contract. The additional standby time for up to 6 months will not exceed \$970,440.

**Justification:**

Due to the updated estimate of 16 months for securing access to the Army's rock quarry, potential risk that we may not receive Army permission and a FERC mandate to address known dam safety issues on the Priest Rapids Right Embankment which is already behind schedule, it is prudent to transition to a commercial source to get the Priest Rapids Right Embankment improvements started on a more reasonable timeline in order to address the Dam Safety concerns regarding embankment stability during a seismic event, reduce continued delay costs paid to the contractor and reduce prolonged construction impacts on the Wanapum People.

Additionally, the District and IMCO have a need to extend delay cost to allow for restart planning and contract negotiations. The highest priority is securing the rock needed for 2021 and keeping IMCO under contract by extending delay cost.

Next the District will instruct IMCO to resume getting their subcontractors in place and the District and IMCO will negotiate costs. Due to potential escalation in commodities those costs may require Commission approval in another change order. Securing new subcontractors and negotiations will take 60-90 days.

After all required agreements are in place, construction is anticipated to start late in Quarter 3 of 2021.

In accordance with the Contract, the Contractor is due compensation during the delay. Since the length of the delay is currently unknown, the Contractor has provided weekly and monthly delay costs. These delay costs have been occurring since March 16, 2020. While the Contractor has been patient and cooperative, it is the responsibility of the District to promptly execute a Change Order allowing payment for delay. Failure to provide timely delay payments could increase the District claim liability and will damage the relationship with the Contractor. The District Representative has reviewed the delay payment and has found it to be fair and reasonable.

The Contractors performance to date on the contract has been excellent. The Contractor is collaboratively working with the District to mitigate the impacts of delay including continuing work on submittals and securing long lead items.

**Financial Considerations:**

While the costs associated with delay are large, they are far less than the likely increase from canceling and rebidding the contract. It is unlikely that the District would secure pricing at the current Contract value in the event of a rebid. The anticipated increase in cost of rebidding the contract is \$16,100,000. Rebidding would also result in additional delays. This project is intended to mitigate a dam safety risk and needs to remain a priority. This option is not recommended.

Pursuing the aggregate source through the Army would result in delay costs beyond those proposed in this change order. The estimated delay cost is \$2,911,300 higher than the delay costs under this proposed change order. In addition to increased delay costs for pursuing the Army aggregate source, cost increases with reengaging subcontractors are expected due to the

additional delays. FERC has expressed strong interest in this project starting soon and we will face scrutiny if we choose to further delay the project when we have a valid path forward. Approval to use the Army aggregate source is not certain and we will end up forced to use the commercial aggregate source if approval by the Army is not granted. The District will continue working to secure the aggregate source with the Army. If permission is granted sooner than expected and a cost savings will be realized, the project will revert back to using the Army aggregate for RCC production.

**Change Order History:**

CO#1 –Revise GC-3 and SR-6 to allow procurement of specific long lead items (materials and equipment) in advance of the Limited NTP and NTP. Cost Change \$0

CO#2 - Revise GC-3 to allow Contractor to continue to place orders and enter into subcontracts during suspended work periods with prior DR approval, compensate Contractor for Standby Time, replace section GC-12 to allow payment for DR approved materials and equipment stored off-site, revise section GC-18 to add insurance coverage under Builder's Risk policy for materials and equipment stored off-site. Cost Change \$661,685.40

CO#3 – Replace section SR-6 Part D in it's entirety to allow early procurement and delivery of RCC batch plant to District property and allow for remobilization costs to move RCC batch plant to project site after LNTP. Cost of Change \$70,131.00

CO#4 – Continued delay costs. Cost of Change \$330,842.70

CO#5 – Authorization for additional survey work to verify control monument elevations in NGVD 29'. Cost of Change \$5901.00

CO#6 – Continued delay costs. Cost of Change \$388,284.72.

CO#7 – Relocation of concrete batch plant. Cost of Change \$97,673.92.

CO#8 - Continued delay costs. Cost of Change \$388,284.72.

CO#9 – Removal of LNTP, Cost of Change \$0.

The total cost of this change order covers up to six additional months of standby time for IMCO. The costs include eight employees and vehicles dedicated to the PRREIP as well as dedicated office space, housing and insurance costs resulting from the delay. Three of the IMCO employees are full time. The other five employees are dedicated part time. Vehicle costs are charged proportionately to staff time and have been verified to be below blue book rates.

Delay costs can be paid at a Monthly rate and the District has the ability to pro-rate as appropriate.

**Legal Review:** See attached email.

**Recommendation:**

Commission approval of Change Order No. 10 for a not to exceed amount of \$4,258,940.00 to Contract 230-08636 in accordance with Letter from Contractor 26 dated 5/6/2021 and in response to District GC-3 Suspension of Work Letter issued 4/7/2020, and in accordance with Letter from Contractor 25A. Contractor and District negotiated the weekly and monthly delay costs and necessary contract changes to allow for reasonable contract items to continue during the delay.

CHANGE ORDER  
NO. 10

Pursuant to Section GC-11, the following changes are hereby incorporated into this Contract:

A. Description of Change:

1. In accordance with GC-3, SUSPENSION OF WORK/TERMINATION OTHER THAN FOR DEFAULT, Part B.1, the Contractor shall continue to be compensated for Standby Time for a period of 40 hours per week, beginning June 17, 2021 and concluding December 16, 2021 or upon the issuance of the Notice to Proceed in an amount equal to \$161,740.00 per month. If work resumes prior to a full monthly interval, monthly standby rate shall be utilized to pro-rate the amount owed. The current change has been calculated at a six-month duration at the monthly standby rate set forth above and in accordance with Contractor proposal IMCO-GCPUD-SL025A, dated May 5, 2021. As a result of this change, the not to exceed Contract Price shall be increased by \$970,440.00.
2. Alternate Bid Item Nos. 1 and 2 shall be removed from the Contract Documents in their entirety. As a result of this change, the not to exceed Contract Price shall be reduced by \$2,082,000.00.
3. Contractor shall supply commercial aggregate at the following rates and in accordance with Contractor proposal IMCO-GCPUD-SL026, dated May 6, 2021:
  - a. 2021 Aggregate – Estimated quantity of 30,000 tons at a unit price of \$45.00/ton for an estimated total amount of \$1,350,000.00, provided the project commences with sufficient time to import materials.
  - b. 2022 Aggregate – Estimated quantity of 85,000 tons at a unit price of \$47.30/ton for an estimated total amount of \$4,020,500.00.

As a result of this change, the not to exceed Contract Price shall be increased by \$5,370,500.00. Payment shall be made based on the actual quantity of aggregate supplied up to the estimated amounts for Items 3.a and 3.b above.

- B. Time of Completion: The allowed time for construction shall remain unchanged at 837 calendar days from issuance of the Notice to Proceed.
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$4,258,940.00 plus applicable sales tax. In accordance with Change Order No. 2, this Change Order shall not provide any basis for any other payments to or claims by the Contractor for standby costs which include staff, staff vehicles, office, information technology and insurance of these items as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$39,584,485.46, 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

IMCO General Construction, Inc.

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

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

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

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

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

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

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

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

## Change Order Table

**Contract Title:** Preist Rapids Right Embankment Improvement Project

Contract No.	230-08636	Award Date:	1/28/2020
Project Manager:	Chris Steinmetz	Original Contract Amount:	\$33,382,742.00
District Representative (If Different):		Original Contract completion:	6/30/2022
Contractor:	IMCO General Construction	Total CO Cost Change Amt	\$6,201,743.46

CO#	Change Description	Approved by	Executed Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Revise GC-3 and SR-6 to allow procurement of specific long lead items (materials and equipment) in advance of the Limited NTP and NTP.	Senior/Plant Mgr	04/08/20	N/A	\$0.00	\$33,382,742.00	
2	Revise GC-3 to allow Contractor to continue to place orders and enter into subcontracts during suspended work periods with prior DR approval, compensate Contractor for Standby Time, replace section GC-12 to allow payment for DR approved materials and equipment stored off-site, revise section GC-18 to add insurance coverage under Builder's Risk policy for materials and equipment stored off-site.	Comm	06/12/20	N/A	\$661,685.40	\$34,044,427.40	\$661,685.40

3	Revise SR-6 to allow procurement of RCC Batch Plant in advance of the Limited NTP and compensate Contractor for mobilization of RCC Batch Plant from temporary on-site storage location to project site if required.	Senior/Plant Mgr	06/22/20	N/A	\$70,131.00	\$34,114,558.40	\$70,131.00
4	Compensate Contractor for Standby Time.	Managing Director	09/09/20	N/A	\$330,842.70	\$34,445,401.10	\$400,973.70
5	Compensate Contractor for the performance of a level loop survey to verify control monument elevations.	Senior/Plant Mgr	10/06/20	N/A	\$5,901.00	\$34,451,302.10	\$406,874.70
6	Compensate Contractor for Standby Time.	Comm	11/25/20	N/A	\$388,284.72	\$34,839,586.82	\$795,159.42
7	Compensate Contractor for relocation of RCC Batch Plant from temporary on-site storage location to temporary off-site storage location.	Senior/Plant Mgr	11/29/20	N/A	\$97,673.92	\$34,937,260.74	\$97,673.92
8	Compensate Contractor for Standby Time.	Managing Director	03/08/21	N/A	\$388,284.72	\$35,325,545.46	\$485,958.64
9	Revise Sections GC-3, GC-12, SR-2, SR-6, SR-20, SR-30, SR-34, Technical Specification Section 01 29 00, and delete Exhibit "S" to remove all references to the Limited Notice to Proceed from the Contract Documents.	Dept Mgr	05/05/21	N/A	\$0.00	\$35,325,545.46	\$485,958.64



10	Compensate Contractor for Standby Time, Remove Alternate Bid Item Nos. 1 and 2 from Contract Documents, and add rates to allow Contractor to supply commercial aggregate.	Comm		N/A	\$4,258,940.00	\$39,584,485.46	\$4,744,898.64
Total Change Order Cost Change Amount					6,201,743.46		

Motion was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute an Interlocal Agreement, Contract 430-10913, between Grant PUD and Energy Northwest.

## MEMORANDUM

May 10, 2021

**TO:** Kevin Nordt, General Manager/Chief Executive Officer

**VIA:** Richard Wallen, Chief Operations Officer  
Julie Pyper, Senior Manager of EPMO *JP*

**FROM:** Mindy Klingenberg, Project Coordinator *MK*

**SUBJECT:** Interlocal Agreement with Energy Northwest

### **Purpose:**

To request Commission approval to execute an interlocal agreement between Grant PUD and Energy Northwest. The agreement would allow Grant PUD to procure technical services from Energy Northwest on an "as needed" basis to support the needs of the District.

### **Discussion:**

Over the past several months, there have been many discussions throughout the District with regards to the benefits Grant PUD may incur working with Energy Northwest. The discussions have included the following:

- Sharing services through Energy Northwest's Volt Workforce Solutions contract
- Mobile Workforce Solution
- Calibration Services
- Environmental Testing Services
- Recruitment
- APPA Deed Program
- Training Services

Based on recent conversations, District personnel are interested in some of the services mentioned above. However, further discussions are needed to evaluate financial benefits, work release order specifications and negotiation of rates so any services support Grant PUD's business objectives.

### **Justification:**

While District personnel have indicated their desire to go forward with a work release order (WRO) for certain services from Energy Northwest, more time is needed to evaluate specifics and finalize financial details. However, when they are prepared to finalize the WRO, they would like to have the ILA already in place to reduce the wait time for execution.

If not approved, there will be a delay in any procured services. Currently, there is no valid ILA with Energy Northwest and any needed services in the future would be required to wait until the ILA has been approved.

Here is a breakdown regarding current areas of interest to the District.

*Volt Workforce Solutions:* Energy Northwest is finalizing negotiations with Volt to allow third party sharing on the contract. This is anticipated to become effective in February 2021. This would allow Grant PUD to utilize Energy Northwest's negotiated staff augmentation rates. Energy Northwest negotiates rates for a variety of job titles. To get an estimate on what our savings could possibly be using Energy Northwest's Volt contract, we looked at potential savings for the Business Analyst and Project Manager contractor titles since we have current TAs in place for these job titles. The midpoint comparison was used as it is considered the market average. The potential savings are listed below:

Job Title	Grant PUD current Volt hourly rate	EN current Volt rate @ midpoint	Savings (%)	Annual Savings (2080 hours)
<b>Business Analyst</b>	\$98.00	\$55.86	43%	\$87,651
<b>Project Manager</b>	\$116.80	\$85.40	23%	\$62,733

*Calibration Services:* This District has expressed their interest in exploring potential cost savings by utilizing Energy Northwest's services for calibration. Energy Northwest provides onsite and offsite calibration. Once the District has time to evaluate the equipment for calibration, discussion can be had on the potential financial benefits of utilizing Energy Northwest for this service.

#### **Financial Considerations:**

While the topic of financial benefit has been at the core of the discussions with Energy Northwest, further discussion will need to occur before any WRO is finalized. The financial stipulations will be included in each WRO. Before committing to any of the services provided by Energy Northwest, there will be additional conversations and review of potential benefits to the District.

It should be noted, while Energy NW is providing us a service, they do not profit from rendered services. Any charges invoiced to the Grant PUD, will cover costs only.

#### **Contract Specifics:**

There is no specified expiration date within the ILA. This will allow services to be acquired on an "as needed" basis without having to consider any upcoming expiration to the ILA in place. The WRO is framed in a way to include expiration dates and/or not to exceed amounts to limit rendered services. While the services we are currently considering were previously mentioned, there may be additional services in the future the District may choose to pursue.

#### **Recommendation:**

Commission approval for Grant PUD to execute an interlocal agreement with Energy Northwest.

#### **Legal Review:**

See attached e-mail(s).



**INTERLOCAL COOPERATIVE AGREEMENT  
BETWEEN ENERGY NORTHWEST AND PUBLIC UTILITY DISTRICT NO. 2 OF GRANT  
COUNTY TO PROVIDE TECHNICAL SERVICES AS REQUESTED**

As provided under RCW Title 39, Chapter 39.34, this Agreement for Professional Services (the "Agreement") is by and between Public Utility District No. 2 of Grant County, Washington, a municipal corporation in the State of Washington, with its principal office located at 30 C Street SW, Ephrata, WA 98823 (hereinafter referred to as "District"), and Energy Northwest, a municipal corporation and joint operating agency of the State of Washington and doing business by and through its Business Development Fund, with its principal office located at 3000 George Washington Way, Richland, WA 99352 (hereinafter referred to as "Energy Northwest" or "EN").

WHEREAS, the District desires to obtain cost effective technical services to support the needs of the District;

WHEREAS, Energy Northwest has the capacity and is willing to perform certain work for the District hereinafter described in accordance with the provisions of this Agreement; and

WHEREAS, the District finds that Energy Northwest is qualified to perform the work, all relevant factors considered, and that such performance will be in furtherance of the District's business; and

WHEREAS, the Interlocal Cooperation Act contained in RCW 39.34 authorizes local governments, such as the parties to this Agreement, to contract for joint conduct of activities which each of the parties is individually authorized to perform.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and intending to be legally bound, the parties hereto agree as follows:

**1. AUTHORITY AND PURPOSE**

This Agreement is executed pursuant to Chapter 39.34 RCW as a cooperative endeavor of the Parties. The purpose of this Agreement is to establish a contractual relationship under which the District can procure technical services from Energy Northwest and Energy Northwest can avail its employees for that purpose on an "as needed" basis to support needs of the District, and to set forth the Parties respective rights, obligations, costs, and liabilities for this undertaking. This Agreement shall be reasonably construed in furtherance of this purpose.

Energy Northwest shall utilize commercially reasonable efforts when providing Technical Services, as may be required by the District for the duration of this Agreement, as ordered by the District, as budget and schedule allow.

Technical Services provided by Energy Northwest shall not conflict or interfere with work conducted by the District's Employees. For this reason a working foreman shall be assigned at all times to coordinate work assignments directly through the District's Management and/or Supervision where applicable. All services provided under this Agreement shall be consistent with applicable and existing Energy Northwest union labor bargaining agreements, which remain unchanged and in effect.

Technical Services shall be requested by the District's General Manager by Work Release Orders (WRO) to Energy Northwest. WRO's will be issued using the form provided in Exhibit A to this Agreement.

The exact Statement of Work, Period of Performance, the District crafts and Labor Rates based on current local bargaining agreements (if applicable), will be established prior to completion of the WRO and agreed upon between the parties, once services have been requested by the District. These WRO's shall be incorporated as attachments to this Agreement when finalized, as provided in Exhibit A to this Agreement.

The Technical Services performed for the District as described herein shall be performed in compliance with RCW Title 54 and Title 39.

## 2. TERM

The duration of this Agreement, subject to its other provisions, shall be from its effective date when executed by both Parties, until terminated by either Party.

## 3. FILING

This Agreement shall be effective only upon execution by the parties and filing with the Benton County Auditor and/or posting an electronic copy of the Agreement on the parties' respective websites in compliance with RCW 39.34.040.

## 4. PAYMENT AND INVOICING TERMS

**4.1 Payment for Services** The District shall pay Energy Northwest as follows: Charges will be invoiced to the District by Energy Northwest and will provide detail on the number of hours chargeable, travel and subsistence charges, and any special services delivered as they are ordered/approved by the District.

**4.2 Reimbursable Costs** The District shall reimburse Energy Northwest all costs incurred in connection with the Services rendered, including, but not limited to, travel costs, subcontractors, materials (subcontract and materials costs include the

supplier's invoiced cost to Energy Northwest plus Energy Services & Development Overhead charge), computer costs, telephone, copies, delivery that are attributable to a project or Service (the "Reimbursable Costs"). Energy Northwest shall provide to the District substantiation of Reimbursable Costs incurred.

4.3 Invoicing Invoices will be submitted monthly by Energy Northwest for payment by the District. Payment is due upon receipt and is past due thirty (30) days from receipt of invoice. If the District has any valid reason for disputing any portion of an invoice, the District will so notify Energy Northwest within seven (7) calendar days of receipt of invoice by the District, and if no such notification is given, the invoice will be deemed valid. The portion of an invoice which is not in dispute shall be paid in accordance with the procedures set forth herein. That portion of the invoice in dispute shall be resolved in accordance with Section 6.7 of this Agreement within thirty (30) days of the receipt by Energy Northwest of the notice from the District as provided in this section.

Energy Northwest 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

Any attorney fees, court costs, or other costs incurred by Energy Northwest in collection of delinquent accounts shall be paid by the District.

4.4 Taxes The District shall pay all state, local sales and use taxes applicable to goods and services provided under this Agreement. Energy Northwest shall include sales tax charges, separately identified, in the Energy Northwest invoices to the District.

4.5 Prevailing Wages Where public work will be performed for the District, Energy Northwest shall pay the workers at least prevailing wages, as stated in RCW Title 39.

## 5. CHANGES

The District may, with the approval of Energy Northwest, issue written directions within the general scope of any Services to be ordered. Such changes (the "Change Order") may be for additional work or Energy Northwest may be directed to change the direction of the work covered by the WRO, but no change will be allowed unless agreed to by Energy Northwest in writing. Any such approved Change Order may result in an adjustment to Cost or Schedule or both for the Services.

## 6. STANDARD OF CARE -WARRANTY

Energy Northwest warrants that services shall be performed by personnel possessing competency consistent with applicable industry standards. Such warranty will be effective for a period of 30 days from the date of acceptance of the performance of such service. No other representation, express or implied, and no warranty or guarantee are included or intended in this Agreement, or in any report, opinion, deliverable, work product, document or otherwise. Furthermore, no guarantee is made as to the efficacy or value of any services performed.

The District's exclusive remedy for any claim relating to this Agreement will be for Energy Northwest, upon receipt of written notice, either (i) to use commercially reasonable efforts to cure, at its expense, the matter that gave rise to the claim for which Energy Northwest is at fault, or (ii) return to the District the fees paid by the District to Energy Northwest for the particular service provided that gave rise to the claim, subject to the limitation contained in Section 7.2. For the foregoing warranty and remedy to apply, written claim must be made to Energy Northwest as soon as reasonably practicable after the non-conformance is detected by the District and in no event later than the expiration of the aforesaid warranty period. The District agrees and hereby acknowledges that this remedy is adequate and serves its essential purpose.

THIS SECTION SETS FORTH THE SOLE AND EXCLUSIVE WARRANTY PROVIDED BY ENERGY NORTHWEST CONCERNING THE SERVICES AND RELATED WORK PRODUCT. THIS WARRANTY IS MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY OR OTHERWISE.

## 7. INDEMNIFICATION AND LIABILITY

**7.1 Indemnification** To the extent of its comparative liability, each party shall indemnify, defend, and hold the other party, its departments, elected and appointed officials, employees, and agents, harmless from and against any and all claims, demands, damages, losses, actions, liabilities, costs, and expenses, including attorney's fees, for any bodily injury, sickness, disease, or death, or any damage or destruction of property, including the loss of use therefrom, which are alleged or proven to be caused in whole or in part by a negligent act or omission of the other party, its officials (elected or appointed), officers, directors, employees and agents.

If the claim, suit or action for injuries, death or damages as provided for in the preceding paragraph is caused by or results from the concurrent negligence of the parties or their respective agents or employees, the indemnity provision shall be valid and enforceable only to the extent of the indemnitor's/indemnitee's negligence.

**Industrial Insurance Act:** The indemnification obligations contained in this Section 7.1 shall not be limited by any worker's compensation, benefit or disability laws, and



each indemnifying party hereby waives any immunity that said indemnifying party may have under the Washington Industrial Insurance Act, Title 51 RCW, and similar worker's compensation, benefit or disability laws. THE PARTIES ACKNOWLEDGE BY THEIR EXECUTION OF THIS AGREEMENT THAT EACH OF THE INDEMNIFICATION PROVISIONS OF THIS AGREEMENT (SPECIFICALLY INCLUDING BUT NOT LIMITED TO THOSE RELATING TO WORKER'S COMPENSATION BENEFITS AND LAWS) WERE SPECIFICALLY NEGOTIATED AND AGREED TO BY THE PARTIES.

7.2 Limitation of Liability. Except for the indemnifications set forth in Section 8.1, neither Party shall be liable for any special, indirect, consequential, lost profits or revenues, or punitive damages. The limitation of liability set forth herein is for any and all matters for which the Parties may otherwise have liability arising out of or in connection with this Agreement, whether the claim arises in contract, tort (negligence of whatever degree), strict liability, under any warranty, or under any other legal or equitable theory of law, of any nature arising at any time from any cause whatsoever.

The District hereby agrees that to the fullest extent permitted by law, Energy Northwest's total aggregate liability to the District for any and all injuries, claims, losses, expenses or damages whatsoever arising out of or in any way related to the project or this Agreement from any causes or causes including Energy Northwest's negligence, errors, omissions, strict liability, breach of contract or breach of warranty, shall not exceed the total sum paid to Energy Northwest under the respective Work Release Order issued under this Agreement or the applicable insurance coverage available at the time of settlement or judgment, whichever is greater. If no such insurance coverage is provided with respect to the District's claims, then Energy Northwest's total liability to the District for any and all such uninsured District claims shall not exceed the total sum paid to Energy Northwest under the respective Work Release Order issued under this Agreement. Notwithstanding the foregoing, the provisions of this GP-7.2 shall not apply to Energy Northwest's obligations under GP 7.1 (Indemnification).

Energy Northwest's cumulative liability to the District under this Agreement is limited to the assets of the Business Development Fund of Energy Northwest. Obligations of the Energy Northwest Business Development Fund are not, nor shall they be construed as, general obligations of Energy Northwest or other Energy Northwest projects or funds.

7.3 Insurance. Each party shall secure and continuously carry in effect, with an insurance company or companies reasonably acceptable to the other, the following insurance policies:

Each party shall maintain insurance for bodily injury and property damage. Such insurance shall include: provisions or endorsements naming the other party and its elected officials, officers, agents, and employees as additional insureds; provisions that such insurance is primary insurance with respect to the interest of each party,

and that any insurance maintained by the party is excess and not contributory insurance with insurance required hereunder; and provisions or endorsements to include broad form comprehensive liability and blanket contractual liability. Initial limits of liability for all required under this paragraph shall be \$1 Million (\$1,000,000) for each occurrence and \$2 Million (\$2,000,000) general aggregate. Anything in this Agreement notwithstanding, the parties to this Agreement mutually agree to limit the other party's liability for insurable events arising from the performance under this Agreement to the amount of the insurance proceeds available as provided in this Section 7.3.

If applicable, for each WRO Energy Northwest will provide to the District the following:

- Automobile Liability insurance against claims of bodily injury (including death) and property damage (including loss of use) covering all owned, rented, leased, non-owned, and hired vehicles used in the performance of the work, with a **minimum limit of \$1,000,000 per accident** for bodily injury and property damage combined and containing appropriate uninsured motorist and No-Fault insurance provision, when applicable. Automobile liability insurance will include the District as additional insured on a primary and non-contributory basis. A waiver of subrogation will apply in favor of the District.
- Energy Northwest shall provide professional liability insurance with a **minimum limit of \$1,000,000 per claim, if applicable per WRO.**

If such policy is written on a claims made form, the retroactive date shall be prior to or coincident with the Effective Date of this Agreement. Claims made form coverage shall be maintained by Energy Northwest for a minimum of three years following the termination of this Agreement, and Energy Northwest shall annually provide the District with proof of renewal. If renewal of the claims made form of coverage becomes unavailable, or economically prohibitive, Energy Northwest shall purchase an Extended Reporting Period Tail or execute another form of guarantee acceptable to the District to assure financial responsibility for liability for services performed.

If Energy Northwest shall hire subcontractor for all operations and risk involving professional services exposure, this requirement may be satisfied by subcontractor's policies. Energy Northwest shall impute the insurance requirements stated in this section to subcontractor by written contract or written agreement. Any exceptions must be mutually agreed in writing with the District.

All insurance policies required hereunder shall contain provisions that such policies shall not be canceled or their limits of liability reduced without thirty (30) days prior written notice to the other party. Each party shall provide the other with a Certificate of Liability Insurance naming the other, and its elected officials, officers, agents, and

employees as additional insureds. It is expressly understood and agreed that is the intention hereof to constitute a waiver and release of any and all subrogation rights which a party may have under any such insurance policies.

7.4 Survival Articles 6 and 7 shall survive the expiration or termination of this Agreement for any reason.

## 8. MISCELLANEOUS

8.1 Insecurity and Adequate Assurances If reasonable grounds for insecurity arise with respect to the District's ability to pay for the Services in a timely fashion, Energy Northwest may demand in writing adequate assurances of the District's ability to meet its payment obligations under this Agreement. Unless the District provides the assurances in a reasonable time and manner acceptable to Energy Northwest, in addition to any other rights and remedies available, Energy Northwest may partially or totally suspend its performance while awaiting assurances, without liability to the District.

8.2 Severability Should any part of this Agreement for any reason be declared invalid, such decision shall not affect the validity of any remaining provisions, which remaining provisions shall remain in full force and effect as if this Agreement had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the parties that they would have executed the remaining portion of this Agreement without including any such part, parts, or portions which may, for any reason, be hereafter declared invalid. Any provision shall nevertheless remain in full force and effect in all other circumstances.

8.3 Waiver Waiver or breach of this Agreement by either party shall not be considered a waiver of any other subsequent breach

8.4 Independent Contractor Energy Northwest is an independent contractor to the District; no personnel furnished by Energy Northwest shall be deemed under any circumstances to be the agent, employee or servant of the District.

8.5 Termination Any party shall have the right to terminate this Agreement with or without cause at any time during the initial or extended term of this Agreement by giving thirty (30) days' written notice of the termination to the other party by regular mail to the person identified in Section 9.6. Termination will be effective on the 31st day from the date the written notice was sent.

8.6 Notices All notices or other communications hereunder shall be in writing and shall be deemed given when delivered to the address specified below or such other address as may be specified in a written notice in accordance with this Section.

If to Energy Northwest:

Energy Northwest  
Attn: Sherri Schwartz  
P. O. Box 968, MD1035  
Richland, WA 99352-0968  
Telephone: (509) 372-5072  
Fax: (509) 377-4357  
Email: [slschwartz@energy-northwest.com](mailto:slschwartz@energy-northwest.com)

If to District:

Public Utility District No. 2 of Grant County, Washington  
Attn: Julie Pyper  
PO Box 878  
Ephrata, WA 98823  
Office Phone: (509) 754-5058  
Email: [jpyper@gcpud.org](mailto:jpyper@gcpud.org)

With a second copy, in the event of claimed breach, nonperformance, termination of this Agreement or other notice which affects the validity or integrity of this Agreement to:

Public Utility District No. 2 of Grant County, Washington  
Attn: General Counsel  
PO Box 878  
Ephrata, WA 98823

Any party may, by notice given in accordance with this Section to the other parties, designate another address or person or entity for receipt of notices hereunder.

8.7 Assignment This Agreement is not assignable or transferable by either party without the written consent of the other party, which consent shall not be unreasonably withheld or delayed.

8.8 Disputes Energy Northwest and the District recognize that disputes arising under this Agreement are best resolved at the working level by the parties directly involved. Both parties are encouraged to be imaginative in designing mechanism and procedures to resolve disputes at this level. Such efforts shall include the referral of any remaining issues in dispute to higher authority within each participating party's organization for resolution. Failing resolution of conflicts at the organizational level, then the parties may take other appropriate action subject to the other terms of this Agreement.

8.9 Section Headings Title and headings of sections of this Agreement are for convenience of reference only and shall not affect the construction of any provision of this Agreement.

8.10 Representations; Counterparts Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party, with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations hereunder.

8.11 Residuals Nothing in this Agreement or elsewhere will prohibit or limit Energy Northwest's ownership and use of ideas, concepts, know-how, methods, models, data, techniques, skill knowledge and experience that were used, developed or gained in connection with this Agreement. Energy Northwest and the District shall each have the right to use all data collected or generated under this Agreement.

8.12 Non-solicitation of Employees During and for one (1) year after the term of this Agreement, the District will not solicit the employment of, or employ Energy Northwest's personnel, without Energy Northwest's prior written consent.

8.13 Cooperation The District will cooperate with Energy Northwest in taking actions and executing documents, as appropriate, to achieve the objectives of this Agreement. The District agrees that the Energy Northwest's performance is dependent on the District's timely and effective cooperation with Energy Northwest. Accordingly, the District acknowledges that any delay by the District may result in Energy Northwest being released from an obligation or scheduled deadline or in the District having to pay extra fees for Energy Northwest's agreement to meet a specific obligation or deadline despite the delay.

8.14 Governing Law and Interpretation. This Agreement will be governed by and construed in accordance with the laws of Washington, without regard to the principles of conflicts of law. Each party agrees that any action arising out of or in connection with this Agreement shall be brought solely in courts of the State of Washington, in Benton County.

8.15 Entire Agreement; Survival This Agreement, including any Exhibits, states the entire Agreement between the parties and supersedes all previous contracts, proposals, oral or written, and all other communications between the parties respecting the subject matter hereof, and supersedes any and all prior understandings, representations, warranties, agreements or contracts (whether oral or written) between the District and Energy Northwest respecting the subject matter hereof. This Agreement may only be amended by an agreement in writing executed by the parties hereto.

8.16 Force Majeure Energy Northwest shall not be responsible for delays or failures (including any delay by Energy Northwest to make progress in the prosecution of any Services) if such delay arises out of causes beyond its control. Such causes may include, but are not restricted to, acts of God or of the public enemy, fires, floods, epidemics, riots, quarantine restrictions, strikes, freight embargoes, earthquakes, electrical outages, computer or communications failures, and severe weather, and acts or omissions of subcontractors or third parties.

8.17 Use By Third Parties Work performed by Energy Northwest pursuant to this Agreement are only for the purpose intended and may be misleading if used in another context. The District agrees not to use any documents produced under this Agreement for anything other than the intended purpose without Energy Northwest's written permission. This Agreement shall, therefore, not create any rights or benefits to parties other than to the District and Energy Northwest.

8.18 Entity Status This Agreement shall not require formation of any new governance entity. No property will be acquired or held, and no joint board or administrator is necessary to accomplish the purpose of this Agreement.

8.19 Audits The District, shall, during the life of this Agreement, and for a period of three (3) years from the last day of the Agreement term, and at its sole expense, retain accurate books, records and original documentation (or to the extent approved by Energy Northwest, photographs, or other authentic reproductions) which shall be freely disclosed to Energy Northwest, its representatives, the Washington State Auditor, and the Bonneville Power Administration, to permit verification of performance and Energy Northwest's entitlement to payment under this Agreement, and to support any change requests, termination claims or any other claim submitted by Energy Northwest. A copy of these records shall be available to Energy Northwest upon Energy Northwest's request.

8.20 Public Records In the event public record act requests are received by either party for records associated with this Agreement, the parties shall cooperate for purposes of responding to such requests.

8.21 Non-Discrimination The parties agree not to discriminate in the performance of this Agreement on the basis of race, color, national origin, sex, age, religion, marital status, disabled or Vietnam era veteran status, or the presence of any physical, mental, or sensory handicap.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year last below written:

ENERGY NORTHWEST	PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON
Name: Sherri Schwartz	Name:
Title: Procurement Specialist III	Title:
Date:	Date:



**EXHIBIT A  
WORK RELEASE ORDER (WRO)  
INTERLOCAL AGREEMENT  
SAMPLE**

Agency: x  
Attn: x  
x  
Office Phone: x

Agreement No.: X- x  
WRO No.: x  
WRO Date:

Under the provisions of Agreement No. X-x, you are hereby authorized to proceed with the Work outlined below. If further technical information is required, contact the Energy Northwest (EN) Technical Representative, x, (509) 377-x, [xx@energy-northwest.com](mailto:xx@energy-northwest.com).

**1. STATEMENT OF WORK**

Energy Northwest shall provide x.

[DISTRICT] shall reimburse allowable travel and reimbursable expenses as defined by the Interlocal Agreement.

**2. PERIOD OF PERFORMANCE**

Estimated Start Date: X, 2021  
Estimated Completion Date: X, 2021

**3. CONSIDERATION**

Compensation for the services provided shall be in accordance with this Agreement and under the terms of RCW 39.34.130. The Not to Exceed Cost for this WRO is \$X.00. Payment for satisfactory performance of the services shall not exceed this amount unless the parties mutually agree to a greater amount prior to the commencement of the services.

[DISTRICT] shall reimburse allowable travel and reimbursable expenses as defined by the Inter-Local Agreement, Appendix A

**4. ENERGY NORTHWEST ADMINISTRATION**

Procurement Specialist; Sherri Schwartz, (509) 372-5072, [SLSchwartz@energy-northwest.com](mailto:SLSchwartz@energy-northwest.com)

Technical Representative; x, (509) 377-xx, [xx@energy-northwest.com](mailto:xx@energy-northwest.com)

**5. EXECUTION**

IN WITNESS WHEREOF, the District and Energy Northwest have executed this WRO No. XX to be included as part of Interlocal Agreement No. xx each by its proper respective officers and officials thereunto duly authorized the date written below.

**PUBLIC UTILITY DISTRICT NO. 2 OF  
GRANT COUNTY, WASHINGTON**

**ENERGY NORTHWEST**

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

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

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

Sherri Schwartz, Procurement Specialist

III

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

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

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



# For Commission Review – 06/08/2021

## RESOLUTION NO. XXXX

A RESOLUTION DECLARING CERTAIN REAL PROPERTY SURPLUS TO THE NEEDS OF THE DISTRICT AND AUTHORIZING SALE TO THE CHELAN COUNTY FIRE DISTRICT NO. 9 DBA LAKE WENATCHEE FIRE AND RESCUE

### Recitals

1. RCW 54.16.180 authorizes the District to sell, convey, lease or otherwise dispose of all or any part of District property which has become unserviceable, inadequate, obsolete, worn out or unfit for District operations and which is no longer necessary, material to, and useful in such operation;
2. The District owns real property described as follows:

LOTS 1-10, BLOCK D, PLAT OF CASCADE GARDENS, CHELAN COUNTY, WASHINGTON  
ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 62.

EXCEPTING THEREFROM THAT PORTION OF LOT 5, BLOCK D, CONVEYED TO THE  
STATE OF WASHINGTON BY DEED RECORDED OCTOBER 20, 1952 UNDER AUDITOR'S  
FILE NO. 464703 IN BOOK 495 OF DEEDS, PAGE 224.

TOGETHER WITH THAT PORTION OF LOTS 1-7, BLOCK E, LYING NORTHERLY OF THE  
NORTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY NO. 2, ALL IN THE PLAT OF  
CASCADE GARDENS, CHELAN COUNTY, WASHINGTON, ACCORDING TO THE PLAT  
THEREOF RECORDED IN VOLUME 2 OF PLATS PAGE 62.

AND EXCEPTING THEREFROM ALL THAT PORTION CONVEYED TO THE STATE OF  
WASHINGTON BY DEED RECORDED OCTOBER 20, 1952 UNDER AUDITOR'S FILE NO.  
464703 IN BOOK 495 OF DEEDS, PAGE 224.

SELLER RESERVES A NON-EXCLUSIVE PEDESTRIAN ACCESS EASEMENT FOR THE WANAPUM  
PEOPLE OVER AND ACROSS LOT 1, BLOCK D PLAT OF CASCADE GARDENS, CHELAN  
COUNTY, WASHINGTON, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF  
PLATS, PAGE 62.

Tax Parcel ID No. 261612515220

3. The District's staff and Manager have determined that the described District Property is no longer necessary to the District's operations and that it would be in the best interest of the District to dispose of it by sale to Chelan County Fire District No. 9 DBA Lake Wenatchee Fire and Rescue;

4. The appraised fair market value of the District's real property is \$321,000.00; and
5. RCW 39.33.010 provides that any municipality or any political subdivision thereof, may sell, transfer, exchange, lease or otherwise dispose of any property, real or personal, or property rights, including but not limited to the title to real property, to any municipality or any political subdivision thereof on such terms and conditions as may be mutually agreed upon by the proper authorities of the state and/or the subdivisions concerned.

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

Section 1: That the District Property more fully described Recital 2 above has become inadequate, surplus to the District's needs, is no longer useful to present or prospective District operations, and is hereby declared surplus to the District's needs.

Section 2: The District's Manager is hereby authorized to execute such documents as may be necessary to effectuate, at the appraised fair market value (described in recital number 4 above) transfer of title to Chelan County Fire and Rescue DBA Lake Wenatchee Fire and Rescue.

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

ATTEST:

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Vice President

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

## MEMORANDUM

April 28, 2021

**TO:** Kevin Nordt, General Manager and Chief Executive Officer

**VIA:** Ty Ehrman, Managing Director of Power Production *Ty Ehrman*  
Ross Hendrick, Senior Manager of Environmental Affairs *Ross Hendrick*  
Shannon Lowry, License Compliance and Lands Services Manager *Shannon Lowry*  
Sheryl Dotson, Lands Services Supervisor *Sheryl Dotson*

**FROM:** Igor Shaporda, Lands Specialist *Igor Shaporda*

**SUBJECT:** Sale of Surplus Property – Chelan County Assessor's Parcel No. 261612515220.

**Purpose:** To recommend a Resolution declaring certain real property surplus to the needs of the Public Utility District No. 2 of Grant County, Washington (Grant PUD) and a Motion authorizing the General Manager to sign the Purchase and Sale Agreement for the sale of that surplus property.

**Discussion:** The Grant PUD acquired the subject parcel in 2006 to meet protection, enhancement and mitigation requirements of the Nason Creek and White River spring Chinook artificial supplementation programs. With the construction of the Nason Creek Acclimation Facility on a different parcel, it has been determined that Grant PUD meets its requirements for these spring Chinook programs. Therefore, the subject property is recommended for surplus.

The property, identified as Chelan County Assessor's Parcel No. 261612515220, consists of 2.66 acres situated on Nason Creek, which flows from south to north along the west boundary of the parcel. The site has two main improvements. The first is a 1,076 sq. ft. residential structure built in 1953. The second structure, built in 1998, is a wood-framed garage/shop measuring 780 sq. ft. Additionally, the property contains fencing, landscaping, septic/drain field, and two (2) wells. The parcel was appraised and given a fair-market value of \$321,000.00. The Chelan County Fire District No. 9 (CCFD#9) expressed interest in acquiring the property and the Purchase and Sale Agreement was signed by CCFD#9 on April 14, 2021.

**Justification:** RCW 54.16.180 authorizes Grant PUD to sell, convey, lease, or otherwise dispose of all or any part of Grant PUD property which has become unserviceable, inadequate, obsolete, worn out or unfit for Project operations and which is no longer necessary, material to, and useful in such operations; and RCW 39.33.010 provides that any municipality or any political subdivision thereof, may sell, transfer, exchange, lease or otherwise dispose of any property, real or personal, or property rights, including but not limited to the title to real property, to any municipality or any political subdivision thereof on such terms and conditions as may be mutually agreed upon by the proper authorities of the state and/or the subdivisions concerned.



# REAL ESTATE PURCHASE AND SALE AGREEMENT

This Real Estate Purchase and Sale Agreement (the "Agreement") is dated \_\_\_\_\_, 2021, and is entered into by and between PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, a municipal corporation ("Seller") and CHELAN COUNTY FIRE DISTRICT #9 DBA LAKE WENATCHEE FIRE AND RESCUE ("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 parcel of land (Chelan County Parcel Number 261612515220), the legal description of which is set forth on **Exhibit A** hereto; and (ii) together with reservation of a perpetual, non-exclusive pedestrian access easement to Nason Creek by The Wanapum people, the legal description of which is set forth on **Exhibit B** hereto (Access Easement).

2. Closing. "Closing" shall mean the date on which the Statutory Warranty Deed 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 within one hundred twenty (120) days following the execution of this Agreement or such other date as may be mutually agreed upon by the parties, at the offices of First American Title Insurance Company, (the "Escrow Agent") located at 16 South Mission Street, Wenatchee, Washington 98801. If Closing has not occurred prior to the date that is 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 Three Hundred Twenty One Thousand Dollars (\$321,000.00) and shall be payable all in cash at Closing.

4. Title. At Closing, Seller shall convey title to Purchaser by Statutory Warranty Deed. Purchaser acknowledges Seller is under no obligation to provide any further conveyances of property to Purchaser. Seller makes no warranty of any nature concerning the condition of title, and the sale is subject to covenants, conditions, reservations, easements, restrictions and encumbrances apparent or of record. It shall be the sole responsibility of the Purchaser to obtain title insurance, and to conduct any survey or environmental testing or assessment of the Property prior to Purchaser's execution of this Agreement.

5. Costs to Buyer; Closing Documents.

(a) Buyer shall pay half of all escrow fees, full cost of the preliminary title report, the full costs of Buyer's counsel and full costs or fees for recording the quit claim deed.

(b) Real estate taxes and assessments, and any utilities' costs (if any) shall be prorated as of Closing.

(c) At Closing, Seller shall deliver to Escrow Agent the Statutory Warranty Deed and a warranty bill of sale conveying to Buyer the personal property; and

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

6. 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) Board of Commission Approval. Receipt of approval from Buyer's Board of Commissioners of all business terms of this Agreement by adoption of a resolution providing for the same.

(iii) Fair Market Value. Buyers receipt of an appraisal prepared by Pacific Appraisal Associates PLLC, to determine the fair market value of the property meets or exceeds the purchase price.

7. Conditions Precedent to Seller's Obligation.

(a) Board of Commission Approval. Receipt of approval from Seller's Board of Commissioners of all business terms of this Agreement by adoption of a resolution providing for the same.

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) 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) 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.

(c) There are no maintenance, advertising, management, leasing, employment, service, or other contracts affecting the Property which will be in effect at Closing.

(d) 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.

(e) Seller makes no representations regarding the locations or length of the boundary lines or size of lot. Purchaser has personally observed the Property and has reached Purchaser's own conclusions as to the adequacy and acceptability of the Property based upon such personal inspection.

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

(g) Seller represents to the best of Seller's knowledge that Seller is not aware of any material facts adversely affecting the property. Seller agrees to maintain the property in its present condition until the time Purchaser is entitled to possession. Seller represents that to the best of its knowledge, information and belief, no hazardous or toxic wastes of any kind, as those terms are defined or used in federal or Washington statutes and regulations, had been improperly stored or disposed of on the property prior to the Purchaser's possession of the property.

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

10. Inspection: Buyer represents and warrants that Purchaser has fully inspected and tested the Property before entering into this Agreement and that neither Seller nor its commissioners, officers, agents or employees shall be held to any covenant respecting the condition of the Property or any improvements thereon or to any agreement for alterations, improvements or repairs, including without limitation, the suitability of the Property for development or the applicability of any zoning ordinance or building code.

11. Disclaimer: The Property is sold "as is", "where is" and "with all faults". The Seller makes no warranties or representations, express or implied, of any kind.

12. Indemnity: Purchaser releases and shall defend, indemnify and hold harmless the Seller and its commissioners, officers, agents and employees (collectively, the Indemnitee") from all claims, losses, harm, costs, liabilities, damages and expenses (including, but not limited to, reasonable attorneys' fees) that may arise out of or in connection with the ownership, possession, use maintenance, sale or disposition of, any non-conformance or defect in, any reliance on, or any accident, injury, damage or incident involving the Property.

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: Public Utility District No. 2 of Grant County  
Attn: Igor Shaporda, Land Specialist  
P.O. Box 878  
Ephrata, WA 98823

To Buyer: David Walker, Fire Chief  
21696 Lake Wenatchee Highway  
Leavenworth, WA 98826

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

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



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

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

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

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

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

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

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

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

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

SELLER:

PUBLIC UTILITY DISTRICT NO 2 OF  
GRANT COUNTY, WASHINGTON


Dated: \_\_\_\_\_

By \_\_\_\_\_  
Print Name:

BUYER:

CHELAN COUNTY FIRE DISTRICT #9  
DBA LAKE WENATCHEE FIRE AND  
RESCUE

Dated: 4/14/2021

By   
Print Name: DAVID WALKER

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: \_\_\_\_\_

STATE OF WASHINGTON  
County of Chelan

I hereby certify that I know or have satisfactory evidence that David Walker  
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 uses  
and purposes mentioned in this instrument.

DATED: 4-14-2021



Kim L. Wiley ~~Kim L. Wiley~~  
Notary Public  
Residing at Leavenworth  
My appointment expires: 1-21-2024

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

**LOTS 1-10, BLOCK D, PLAT OF CASCADE GARDENS, CHELAN COUNTY, WASHINGTON  
ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS, PAGE 62.**

**EXCEPTING THEREFROM THAT PORTION OF LOT 5, BLOCK D, CONVEYED TO THE  
STATE OF WASHINGTON BY DEED RECORDED OCTOBER 20, 1952 UNDER AUDITOR'S  
FILE NO. 464703 IN BOOK 495 OF DEEDS, PAGE 224.**

**TOGETHER WITH THAT PORTION OF LOTS 1-7, BLOCK E, LYING NORTHERLY OF THE  
NORTHERLY RIGHT OF WAY LINE OF STATE HIGHWAY NO. 2, ALL IN THE PLAT OF  
CASCADE GARDENS, CHELAN COUNTY, WASHINGTON, ACCORDING TO THE PLAT  
THEREOF RECORDED IN VOLUME 2 OF PLATS PAGE 62.**

**AND EXCEPTING THEREFROM ALL THAT PORTION CONVEYED TO THE STATE OF  
WASHINGTON BY DEED RECORDED OCTOBER 20, 1952 UNDER AUDITOR'S FILE NO.  
464703 IN BOOK 495 OF DEEDS, PAGE 224.**

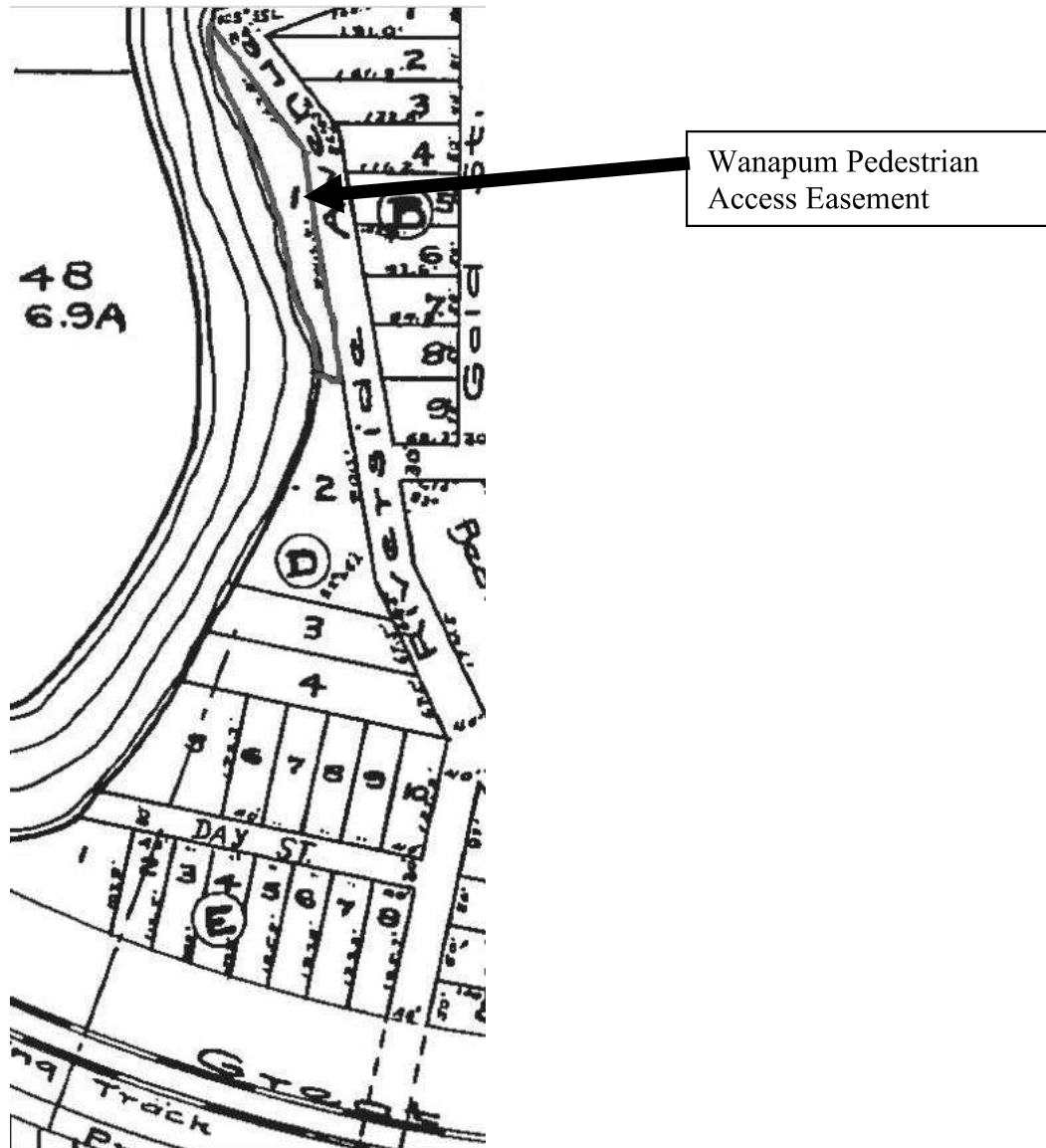
**SELLER RESERVES A NON-EXCLUSIVE PEDESTRIAN ACCESS EASEMENT FOR THE WANAPUM  
PEOPLE OVER AND ACROSS LOT 1, BLOCK D, PLAT OF CASCADE GARDENS, CHELAN COUNTY,  
WASHINGTON, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 2 OF PLATS,  
PAGE 62.**

Tax Parcel ID No. 261612515220

EXHIBIT "B"

LEGAL DESCRIPTION OF PEDESTRIAN ACCESS EASEMENT

Lot 1, Block D, Plat of Cascade Gardens, Chelan County, Washington, according to the plat thereof recorded in volume 2 of plats, page 62.



# **For Commission Review – 06/08/2021**

Motion was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10967 with Washington Department of Fish and Wildlife (WDFW), in an amount not-to-exceed \$3,492,599.00 and with a contract completion date of June 30, 2024.

430-10967

# MEMORANDUM

April 26, 2021

**TO:** Kevin Nordt, General Manager

**VIA:** Rich Wallen, Chief Operating Officer  
Ty Ehrman, Managing Director of Power Production *Ty Ehrman*  
Ross Hendrick, Senior Manager of Environmental Affairs *Ross Hendrick*

**FROM:** Tom Dresser, Fish and Wildlife Manager *Thomas J Dresser*  
Deanne Pavlik-Kunkel, Fisheries Program Supervisor

**SUBJECT:** New Contract – Priest Rapids Hatchery Operation and Maintenance

**Purpose:** To request Commission approval of a new 3-year \$3,492,559 Contract to procure services from the Washington Department of Fish and Wildlife (WDFW) for Priest Rapids Hatchery Operation and Maintenance (O&M), from July 1, 2021 through June 30, 2024.

**Background:** The Public Utility District No. 2 of Grant County, Washington (District) entered into the Priest Rapids Salmon and Steelhead Settlement Agreement (SSSA) with multiple parties during 2005 and 2006. The SSSA included specific measures to protect, mitigate and enhance populations of non-ESA-listed salmon species that migrate through the Priest Rapids Project (coho, sockeye, fall and summer Chinook) and also included additional measures to protect, mitigate and enhance ESA-listed populations. The SSSA was adopted into the District's Federal Energy Regulatory Commission (FERC) License Order in April 2008.

Under Part IX, Section 9.5 "Fall Chinook Artificial Production Goals" of this agreement, Grant PUD is required to produce 5.6 million fall Chinook salmon smolts for release into the mainstem Columbia River at Priest Rapids Hatchery

This Contract provides a three-year (July 1, 2021 through June 30, 2024) scope of work and budget for O&M performed by WDFW for the District's fall Chinook hatchery mitigation program.

WDFW was selected to conduct O&M activities for the fall Chinook mitigation program because of their extensive fish-culture experience and expertise. They have been good partners in ensuring implementation of the District's fall Chinook program meets District obligations and PRCC Hatchery Subcommittee requirements. Additionally, working with WDFW has allowed us to partner with the United States Army Corp of Engineers (ACOE) and WDFW in sharing the cost of producing fall Chinook smolts in the Hanford Reach.

The current Professional Services Contract (430-3207) is set to expire on June 30, 2021.

**Justification:** This contract would allow implementation of the District's mitigation requirement for fall Chinook required by the SSSA, Part IX, Section 9.5 "Fall Chinook Artificial Production Goals" as amended on August 2006. The consequence of not implementing this Change Order is non-compliance with obligations under the SSSA and FERC License order for the Priest Rapids Project.

Currently, the District's Fish, Wildlife, and Water Quality (FWWQ) Department does not have the biological staff nor the expertise necessary to complete this work in-house. FWWQ staff also believes that a continuation of this contract with WDFW is the most cost effective and biologically prudent option in meeting the District's mitigation obligations for production of upper Columbia River fall Chinook, for the following reasons.

- ✓ WDFW has the fish culture and biological staff with specific expertise in operating hatchery facilities present and available, and

- ✓ through the WDFW contract, the District will be able to share the cost of operating the Priest Rapids Hatchery with the ACOE. The total cost of operating the hatchery, including both WDFW and District expenses is budgeted at \$6,741,115 over the 3-year timeframe; approximately 37.08% of those costs are passed onto the ACOE through our contract with WDFW. In addition to the \$1,788,074 dollars WDFW directly invoices to the ACOE for their cost of operating Priest Rapids Hatchery over the 3-year timeframe, we will be able to invoice up to \$1,460,482 in direct District expenses to the ACOE.

**Financial Considerations:** The District's FW staff went through a rigorous line-item review and negotiation process in an effort to hold costs in check and ensure that proposed tasks and the associated budget were tied to the District's Priest Rapids Hatchery O&M requirements and aligned with the District's long-term strategic goals related to hatchery production.

Labor and benefits typically account for a significant percentage of the costs within the Priest Rapids Hatchery O&M contract. For example, under this change order request, labor and benefits account for an estimated 56.1% of the overall budget (\$1,960,016), and an additional 22.1% (\$770,723) is attributed to fish marking, which is another labor-intensive activity.

To keep labor increases in check, FWWQ staff reviews all line item tasks and expected fish runs to determine the "right-sized crew" necessary to perform the work. An additional 4 person-months of crew-time has been added to the hatchery crew during the budget period (WDFW FY2022-FY2024) to support higher fish runs anticipated starting in the fall of 2022.

It is difficult to hold salaries and benefits static from year to year, as up to 10 WDFW staff working at the hatchery are covered under the State of Washington and Washington Association of Fish and Wildlife Professionals Collective Bargaining Agreement (<https://ofm.wa.gov/state-human-resources/labor-relations/collective-bargaining-agreements/washington-association-fish-and-wildlife-professionals-wafwp-2017-19>), however, salary and benefits increased only 2.6% (\$19,114; not including indirect expenses) from the previous contract despite the inclusion of 4 additional months of crew time in FY2022.

The other primary costs under this change order are materials and supplies necessary to effectively operate the hatchery. Fish food, which accounts for approximately 13.1% (\$459,000) of WDFW's total budget to the District over the 3-year period, is purchased by WDFW but does not include an indirect charge. Most of all other materials and supplies are purchased by District FWWQ staff directly to reduce indirect expenses that would otherwise be incurred by the District.

WDFW is anticipating its indirect rate to increase to 36.28% on July 31, 2021 for fiscal year 2022, which is a 4.46% increase from fiscal year 2021. This cost increase is driven by cost of living adjustments, benefit increases, higher central service costs and hiring staff to fill in gaps of needed service.

WDFW is uniquely qualified and positioned to operate Priest Rapids Hatchery. Despite minor increases, FWWQ staff believe that a new contract with WDFW for Professional Services is the least-cost option. Other alternatives were contemplated but were not considered feasible or would result in increased cost to the District. Alternatives considered include:

1. Using District staff to implement the fall Chinook program: The Fish, Wildlife, and Water Quality Department (FWWQ Department) completed an extensive analysis of the feasibility of operating the Priest Rapids Hatchery using District personnel. The analysis determined that the cost for the District to provide equivalent staffing compared with that currently provided by WDFW was not cost effective and would significantly increase the overall program budget. Further, the District does not have the fish-culture staff necessary to complete this work.
2. Other Contractors: This option is currently not feasible. WDFW has extensive experience producing fall Chinook salmon smolts. As a fisheries resource co-manager, WDFW has a vested



interested in operating a quality production program. Further, the ACOE plans to contract with WDFW to satisfy their mitigation requirements for fall Chinook reared in Priest Rapids Hatchery and Ringold Hatchery. Cost sharing of O&M activities reduces District's overall program costs.

3. No Contract Implemented. By not entering into a new contract for this work, the District will be in violation of the terms and conditions of its FERC license.

If approved by the Commission, the new contract would be three years and have a NTE amount of \$3,492,559. This item is allocated in the District's approved 2021 Operations and Maintenance budget and will be included in the proposed 2022-2024 budgets under P-2000, Cost Center EB4220, and Initiative Fall Chinook Mitigation Program. Eric Lauver is the Program Manager.

**Change Order History:** Not Applicable.

**Legal Review:** See attached email.

**Recommendation:** Commission approval of a new three-year \$3,492,559 Contract to procure services from the Washington Department of Fish and Wildlife (WDFW) for the Priest Rapids Hatchery Operation and Maintenance from July 1, 2021 through June 30, 2024.

## AGREEMENT FOR PROFESSIONAL SERVICES

This Agreement, effective July 1, 2021, is by and between Public Utility District No. 2 of Grant County, Washington ("District", or "GCPUD") and Washington State Department of Fish and Wildlife ("Contractor", or "WDFW");

### R e c i t a l s :

The District desires to obtain services for the operation and maintenance of the Priest Rapids Hatchery; and

The District's Senior Manager of Environmental Affairs believes this will fulfill the District's mitigation requirement for fall Chinook salmon as required under the Salmon and Steelhead Settlement Agreement, found in Part IX, Section 9.5 "Fall Chinook Artificial Production Goals" (as amended on August 2006.) for the Contract period.

The undersigned Contractor is willing to perform professional services on the terms and conditions specified herein.

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

#### 1. Scope of Services

- A. Contractor shall provide, but not be limited to providing the Operation and Maintenance (O&M) services for the Priest Rapids Hatchery as described in detail in the Statement of Work and Budget for 2021-2024 Operation and Maintenance of the Priest Rapids Hatchery, attached hereto as Appendix "A".
- B. Additionally, the Contractor shall be responsible for:
  - 1. Providing competent, professionally trained staff for project management, fish culture, fish marking, fish health, hatchery maintenance, and hatchery security.
  - 2. Providing expendable materials and supplies including but not limited to fish food, office, safety, sampling, and maintenance supplies unless provided by the District.
  - 3. If not provided by the District the Contractor shall provide the proper permitting acquisition, storage, dispensation, and disposal of any chemicals and therapeutants necessary to meet production goal.
  - 4. Providing, operating, and maintaining all equipment necessary to meet the production goal unless provided by the District.
  - 5. Complying with all terms and conditions of General National Pollution Discharge Elimination System-Waste Discharge Permits for Priest Rapids Hatchery issued by the Washington Department of Ecology annually.
  - 6. Complying with all terms and conditions of the Priest Rapids Hatchery Endangered Species Act (ESA), Section 10 Permit, including reporting requirements.
- C. The District will provide the following:

1. All hatchery buildings, facilities, and equipment necessary to provide the capacity to meet the fish production goal in a safe and sound manner including related utilities.
  2. Three District owned housing units in Desert Aire, Washington for Contractor personnel in accordance with the Housing Rules and Regulations attached hereto as Appendix (“E”). The Contractor shall provide a copy of the Housing Rules and Regulations to all Contractor employees who will be housed in District’s housing units during the Contract period.
  3. Two flatbed trucks, as needed, for hauling fish between the adult salmon trapping site and the adult salmon holding ponds.
  4. Three pickup trucks for official Priest Rapids Hatchery staff use.
  5. Forklift or tractor for materials handling at the project facilities. (District requirements for forklift operation and safety certification must be met.)
  6. District staff, equipment, and utilities for project operations at the discretion of the District on a case-by-case basis.
- D. 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 “D”) 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 June 30, 2024 or until terminated pursuant to Section 17.

4. Compensation and Payment

- A. District shall reimburse Contractor for actual costs incurred under this Agreement, including overheads which are properly allocable in accordance with generally accepted accounting standards consistently applied. In no event, however, shall the total amount paid to the Contractor exceed the sum of \$3,492,559.00 USD unless a Change Order authorizing the same is issued in accordance with Section 5 below.
- B. Contractor shall submit monthly invoices for completed work to the attention of:  
  
Public Utility District No. 2  
of Grant County, Washington  
Attn: Accounts Payable  
PO Box 878  
Ephrata, WA 98823  
Or AccountsPayable@gcpud.org
- C. 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.

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 "C".

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 "C" 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

To the fullest extent permitted by law, 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.

To the fullest extent permitted by law, 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. Pollution Liability (sudden and accidental);

with the following **minimum limits:**

- f. \$1,000,000 Each Occurrence
- g. \$1,000,000 Personal Injury Liability
- h. \$2,000,000 General Aggregate (per project)
- i. \$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 \$1,000,000 per accident** for

bodily injury and property damage combined and containing appropriate uninsured motorist and No-Fault insurance provision, when applicable.

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

4. **Professional Liability:** Contractor shall provide professional liability insurance with a **minimum limit of \$1,000,000 per claim.**

If such policy is written on a claims made form, the retroactive date shall be prior to or coincident with the Effective Date of this Agreement. Claims made form coverage shall be maintained by the Contractor for a minimum of three years following the termination of this Agreement, and the Contractor shall annually provide the District with proof of renewal. If renewal of the claims made form of coverage becomes unavailable, or economically prohibitive, the Contractor shall purchase an Extended Reporting Period Tail or execute another form of guarantee acceptable to the District to assure financial responsibility for liability for services performed.

If Contractor shall hire subcontractor for all operations and risk involving professional services exposure, this requirement may be satisfied by subcontractor's policies. Contractor shall impute the insurance requirements stated in this section to subcontractor by written contract or written agreement. Any exceptions must be mutually agreed in writing with the 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. If the Contractor is self-insured for any or all of the required insurance coverages of this Agreement the Contractor shall provide proof of coverage.

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. The Contractor shall maintain books, records, documents and other evidence, which sufficiently and properly reflects all direct and indirect costs expended by it relating to this Agreement. These "records" shall be subject to inspection, review or audit by the District or its authorized representatives, the Office of the State Auditor, and federal officials so authorized by law. All books, records, documents, and other material relevant to this Agreement will be retained for six years after expiration and the Office of the State Auditor, federal auditors, and any persons duly authorized by the Parties shall have full access and the rights to examine any of these materials during this period.
- C. Contractor shall keep and maintain complete and accurate records of its costs and expenses related to the work or this Agreement in accordance with sound and generally accepted accounting principles applied on a consistent basis. Contractor will provide the District a full copy of the annual auditors' report, including all attachments and management letters within 30 days of receipt of the same.
- D. The Contractor's "records", referenced in this section, shall upon reasonable notice be open to inspection and subject to audit and/or reproduction during normal business hours. Such audits may be performed by the District Representative or an outside representative hired by the District throughout the term of this contract and for a period of six years after final payment.
- E. Contractor shall require all payees to comply with the provisions of this article by including the requirements hereof in a written contract agreement between Contractor and payee. Such requirements to include flow-down right of audit provisions in contracts with payees will also apply to subcontractors and sub-subcontractors, material suppliers, etc. Contractor will cooperate fully and cause all of Contractor's subcontractors to cooperate fully in furnishing or in making available to the District from time to time whenever requested, in an expeditious manner, any and all such information, materials and data.



- F. District's authorized representative or designee shall have reasonable access to the Contractor's facilities, shall be allowed to interview all current or former employees to discuss matters pertinent to the performance of this agreement and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with this article.
- G. Any adjustments and/or payments which must be made as a result of any such audit or inspection of the Contractor's invoices or records shall be made within a reasonable amount of time (not to exceed 90 days) from presentation of District's findings to Contractor.

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 and the Contractor are 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

- A. The Contractor is authorized to make purchases of materials and equipment required for the work and is authorized to enter into subcontracts as included in the approved budget. Any material purchases not included in the approved budget and greater than \$1,000.00, or any small and attractive asset greater than \$500.00 shall be approved in advance by the District Representative.
- B. 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

Eric Lauver  
Public Utility District No. 2  
of Grant County, Washington  
PO Box 878  
30 C Street SW  
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(509) 797-5175  
Elauver@gcpud.org

Contractor

Brian Lyon  
Washington State Department of Fish  
and Wildlife  
6785 Road K NE  
Moses Lake, Washington 98837  
(509) 754-5075  
Brian.Lyon@dfw.wa.gov

For purposes of technical communications and work coordination only, the District designates Eric Lauver 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. Shared Services

The District will invoice the Contractor for services and facilities provided by the District, on behalf of any other entity participating in this program (except the Yakama Nation which will be billed directly by the District) based on fish produced at the Priest Rapids Hatchery.

19. Excess Capacity

- A. The District has excess capacity at the Priest Rapids Hatchery during this period and WDFW may utilize this excess capacity. The District's fish shall take first priority over the non-District programs.
- B. If this capacity is utilized, hatchery costs will be allocated based on facility utilization. The District will invoice the Contractor for services and facilities provided by the District on behalf of any other entity, as detailed in Section 1, Scope of Services C. The Contractor may deduct these costs from the District's billing or pay the District for these services under the same terms and conditions detailed in Section 4, Compensation and Payment.

20. 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.

21. Physical Security

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

- A. Keep all external gates and doors locked at all times and interior doors as directed.
- B. Visibly display ID badges on their person at all times.
- C. Stay out of unauthorized areas or in authorized areas outside of authorized work hours, without express authorization from the District.
- D. Provide proper notification to the appropriate parties, and sign in and out upon entry and exit to secured locations. If unsure of who to notify, Contractor shall contact the District Representative.
- E. Immediately notify the District if any of Contractor's employees no longer need access or have left the Contractor's employment.
- F. Immediately report any lost or missing access device to the District Representative. A minimum charge will be assessed the Contractor in the amount of \$50.00 per badge and the fee for lost or non-returned keys may include the cost to re-key the plant facilities. The Contractor is strictly prohibited from making copies of keys.
- G. Not permit '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 including the Contractor Safety Requirements (Appendix "B") and all District policies pertaining to COVID-19 located at <https://www.grantpud.org/for-contractors>.

The District reserves the right to conduct or to require Contractor to conduct criminal background checks on its employee(s) before granting such individuals access to restricted 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. The cost of such background checks shall be borne by the Contractor.

22. Security, Safety Awareness Training, and Dam 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.

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

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

Washington State Department of Fish and Wildlife

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

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

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

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

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

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

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

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

**APPENDIX “A”**  
Statement of Work and Budget for  
2021-2024 Operation and Maintenance of the Priest Rapids Hatchery

WASHINGTON DEPARTMENT OF FISH AND WILDLIFE

PRIEST RAPIDS COMPLEX

PRIEST RAPIDS HATCHERY

July 1, 2021 to June 30, 2024

PREPARED BY:

BRIAN LYON

WASHINGTON DEPARTMENT OF FISH AND WILDLIFE

Project Title: Priest Rapids Hatchery Operations & Maintenance

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Grant County PUD: Eric Lauver, Program Manager  
30 C Street SW  
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Ephrata, WA 98823  
Telephone: (509) 754-5088, ext. 2688  
Email: [clauver@gcpud.org](mailto:clauver@gcpud.org)

Starting Date: July 1, 2021

Ending Date: June 30, 2024

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## Priest Rapids Hatchery O&M

### STATEMENT OF WORK

#### 1.0 GOAL:

Public Utility District No. 2 of Grant County's (GCPUD's) hatchery program is managed by consensus among members of the Priest Rapids Coordinating Committee (PRCC), made up of representatives from the National Marine Fisheries Service, U.S. Fish and Wildlife Service, Washington Department of Fish and Wildlife, the Yakama Nation and the Colville Confederated tribes. The PRCC Hatchery Sub-Committee (PRCC-HSC) approved Statement of Agreement (SOA)-2012-01 and SOA-2013-07 increased hatchery production objectives beginning with release year 2014. Current GCPUD production objectives includes 5,000,000 smolts (base level mitigation for project inundation production loss), plus 325,543 smolts for "No Net Impact" (NNI) mitigation for on-going operational losses at the two projects (SOA-2012-01), plus an additional 273,961 smolts as the result of SOA 2013-07 Priest Rapids Hatchery Fall Chinook Fry-to-Smolt Conversion for a total of **5,599,504 (5.6 million) smolts at 50 fish per pound (fpp) or 112,000 pounds of production**. The number of NNI smolts (325,543) may be adjusted beginning in 2022 as a result of the recalculation process.

This Statement of Work (SOW) describes production activities at Priest Rapids Hatchery (PRH), and outlines funding necessary to support operational and maintenance actions. The overall release goal for this facility during this performance period will be 7.3 million URB fall Chinook smolts at 50 fish per pound annually (adjusted for recalculation). This production total includes 1.7 million smolts annually that are a separately funded component of the U.S. Army Corps of Engineers (USACE) John Day/The Dalles Mitigation (JDM).

The *U.S. v. Oregon* 2008-2017 Management Agreement outlines specific production that should take place at PRH. The agreement states... "The parties, the USACE, the Bonneville Power Administration, the U.S. Bureau of Reclamation, the U.S. Fish and Wildlife Service and NOAA Fisheries will work to the extent they deem appropriate, as necessary to facilitate the implementation of the hatchery provisions set forth in this Agreement". As party to the agreement, the USACE is committed to meeting its obligation and will fund the 1.7 million smolts that are currently being raised at PRH to satisfy a portion of the USACE's JDM obligation under the *U.S. v. Oregon* process. The USACE's mitigation program currently occurs at Priest Rapids Hatchery under an annual excess-capacity agreement between USACE and GCPUD.

As a consequence of the Spring Creek National Fish Hatchery reprogramming and following recommendations from the Hatchery Scientific Review Group (HSRG), the Priest Rapids broodstock will be used for the Ringold Springs 3.5 million fall Chinook acclimation/release project. This project is also a part of the USACE's JDM production and WDFW has secured funding from the USACE for additional adult holding and egg takes, which are consistent with the PRH excess capacity agreement. WDFW ensures that the GCPUD is fully compensated for any production that exceeds GCPUD's current mitigation obligation.

#### 2.0 BACKGROUND:

PRH was designed as a mitigation facility for URB fall Chinook salmon after Priest Rapids and Wanapum dams were constructed. On January 4, 1956, the Federal Power Commission (now the

Federal Energy Regulatory Commission or FERC) amended Article 39 of GCPUD's license for FERC Hydroelectric Project No. 2114. This amendment required the GCPUD to construct and operate a fish rearing facility for the purpose of conserving fish resources. The GCPUD, in consultation with state and federal agencies, constructed an artificial spawning channel to compensate for inundated fall Chinook spawning habitat. In September 1963, the GCPUD entered into an agreement with Washington Department of Fisheries (now Washington Department Fish and Wildlife) for the operation of the Priest Rapids Spawning Channel. The spawning channel was operated from 1963-1971 but was ineffective in meeting the mitigation production goals. Artificial propagation of fall Chinook at the site began in 1972. From 1972 through 1977, a portion of the facility's total production came from hatchery-raised Chinook salmon at the facility, in addition to spawning channel natural production. In 1978, the spawning channel was completely abandoned, and all fish released from PRH came from hatchery production. PRH is part of the WDFW's Priest Rapids Complex, which also includes the Ringold, Meseberg, Naches and Columbia Basin fish hatcheries.

In 1992, the PRH began rearing an additional 1.7 million smolts, which are part of USACE's JDM production.

On April 17, 2008, a new license was issued for the Priest Rapids Project FERC No. 2114. The Priest Rapids Project Re-licensing "Salmon & Steelhead Settlement Agreement", Section 9, Paragraph 9.4 and 9.5, requires GCPUD to increase its mitigation production (hence the production increases adopted by SOA-2012-01 and SOA-2013-07). It also required GCPUD to make facility improvements. Substantial completion of these improvements was completed in December 2013.

Currently, GCPUD has approved the USACE's use of excess capacity under annual agreements. GCPUD also funds salmon carcass and egg donations for the "Salmon in the Classroom" educational programs and eggs used for research projects.

### **3.0 WORK TO BE PERFORMED:**

This Priest Rapids Hatchery O&M SOW will include the continued operation of the facility to meet the annual production goals of both Grant PUD and USACE, as outlined above. The operation and maintenance of this project will include labor, materials, and management to perform the project's functions and preventative and corrective maintenance needed to preserve the capital investment in the project.

This SOW will cover 3 fiscal years:

- WA State FY2022 covering July 1, 2021-June 30, 2022.
- WA State FY2023 covering July 1, 2022-June 30, 2023.
- WA State FY2024 covering July 1, 2023-June 30, 2024.

### **4.0 OPERATING PLAN OBJECTIVES:**

#### **OBJECTIVE 1: HATCHERY MANAGEMENT OBJECTIVES**

##### **Objective 1.a.**

WDFW will continue to operate the Priest Rapids facility based upon standard WDFW hatchery practices and past performance activities.

The organizational structure at WDFW for hatchery management is made up of two components, administration/management and labor. The labor component is represented by a labor union and consists of the Fish Hatchery Specialist series (1-4), Seasonal Fish Hatchery Technicians, and a Maintenance Mechanic.

With extensive mechanical infrastructure incorporated into the new hatchery, GCPUD agreed to fund a Maintenance Mechanic (MM). It is being requested for this contract period to continue to have the MM on staff to provide assistance to fish culture staff when equipment needs to be repaired or modified on a timely basis. This mechanic will maintain “fish culture-sensitive” infrastructure (e.g. preventive maintenance) and provide corrective maintenance or emergency repairs to crowders, pumps, and other critical infrastructure deemed necessary by both GCPUD and WDFW as outlined in Section 2.d. With the goal of meeting the production objectives of this SOW, the WDFW MM will also assist GCPUD staff in identifying and developing options and implementing necessary infrastructure improvements/repairs.

WDFW’s fish hatchery complexes may consist of many fish hatcheries or just a few, mostly determined by the complexity and spatial distribution of facilities. The Priest Rapids Complex consists of four facilities with Priest Rapids Hatchery being the largest. Two of these facilities (Naches and Columbia Basin) are state funded trout hatcheries that have standard operating protocols that require minimal management/administration. There are no outside funding contracts and these facilities do not have the complexity of anadromous salmonids and ESA issues. The remaining facility, Ringold/Meseberg has federal funding from Mitchell Act and the USACE. Mitchell Act funding is managed by a statewide coordinator and the Priest Rapids Complex Manager (CM) does not play a significant role in management of that contract. The CM does manage the USACE John Day Mitigation contracts and charges time accordingly both at Priest Rapids and Ringold.

Significant aspects of production at Priest Rapids that have and continue to drive management’s role within the complex and support WDFW’s request for funding the management positions include:

- 10% of total statewide fall Chinook production occurs at PRH.
- 68% of total fall Chinook production within the complex occurs at PRH.
- 52% of the total fish production within the PR Complex is GCPUD’s mitigation.
- 100% of fall Chinook hatchery spawning within the complex occurs at PRH & Ringold.
- Eggs and fish are reared at PRH for 6 months, and only 45-60 days at Ringold.
- 5% of WDFW’s total Hatchery Division FTE load exists at PRH.
- WDFW management criteria requires that the two management positions play a role in reviewing, approving, and providing input on hiring actions.
- Hiring actions occur annually and require significant amounts of time following the state process.
- PRH operations and maintenance includes a segment of production that is John Day Mitigation funded by the USACE. Developing, managing, and tracking two separate budgets for the combined production at PRH, per GCPUD and USACE requirements, has proven to require a significant amount of time.

The following is a description of the two management/administrative positions as it relates to day-to-day operations at PRH. Further clarification for each position on time allocation is included in the tables.

**Regional Fish Program Manager (RFPM) Staff Time (Darren Friedel) for Priest Rapids Hatchery O&M Regional Administration: 1.25 months**

- 1. Annual Budget/SOW Development:** The RFPM reviews, edits and finalizes the draft scope of work and budget proposal prepared and submitted by the Priest Rapids Complex Manager (CM). This includes reviewing cost allocation spreadsheets prepared by GCPUD staff that informs the WDFW budget proposal. The RFPM works in close collaboration with the CM to ensure that the budget proposals meet Fish Program and WDFW agency standards prior to submitting to GCPUD and USACE. The RFPM participates as the senior regional manager in the annual budget and SOW development process. The RFPM also monitors monthly budget allotments and expenditures during the year.
- 2. Budget Tracking:** The RFPM monitors monthly Office of Financial Management financial reports for the Priest Rapids Complex and communicates with the CM to ensure that Priest Rapids Hatchery (and other complex facilities) are operated to stay within spending plan allotments.
- 3. Personnel Management:** The RFPM is actively involved with the CM and in keeping the facility staffed at a level that is appropriate for the production objectives. This will include active involvement in recruitment/interviewing of candidate employees (permanent and non-permanent) to seek and retain the best staff for operation of PRH. The RFPM visits PRH several times a year to ensure that hatchery staff understands their roles and responsibilities and agency policies/procedures while providing a face-to-face senior manager connection to the Region 3 Mgmt. Team and Fish Program Mgmt. Team.
- 4. Strategic Planning:** The RFPM works together with the CM to proactively develop strategic hatchery plans that reflect understanding and consideration of key issues, emerging trends and the needs of the constituents, GCPUD, and the agency. The elements of these hatchery plans have included fish marking strategies that require production manipulations because of infrastructure limitations. The RFPM will continue to be involved in PRH rebuild issues to support the work of the CM and MM, who must coordinate between the contractors, GCPUD, and WDFW hatchery staff. The RFPM will provide regional senior manager oversight/assistance to the CM working through the issues associated with management of contracts and production that applies to the USACE's John Day Mitigation at PRH.

	% Time	Staff	GCPUD	ACOE		GCPUD	ACOE		GCPUD	ACOE
	Allocated	Months	64.28%	35.72%		Total Contract Hrs			% of annual time	
<b>1</b>	12%	0.15	0.10	0.05		16.8	9.3		1%	0%
<b>2</b>	15%	0.19	0.12	0.07		21.0	11.7		1%	1%
<b>3</b>	38%	0.48	0.31	0.17		53.1	29.5		3%	1%
<b>4</b>	35%	0.44	0.28	0.16		49	27		2%	1%
	100%	1.25	0.80	0.45		140	78		7%	4%

**Complex Manager (CM) Staff Time (Brian Lyon) for Priest Rapids Hatchery O&M: 9 months**

The methods used by WDFW to calculate employee time include, but are not limited to, the pounds of fish produced and the pounds of adults handled at each facility. This method provides the rationale for the allocation of time for the Priest Rapids Complex Manager as outlined in the table below.

	PR Complex By Facility		PR Complex By	
	By Fund Source		Facility %	Staff-Months
	PRH - GCPUD		48.2%	5.78
	PRH - USACE		26.8%	3.22
	PRH Total =		75.0%	9.00
	R/M - USACE		9.8%	1.17
	R/M - Mitchell Act		5.6%	0.67
	R/M - WarmWater Enhancement		5.5%	0.66
	R/M Total =		20.8%	2.50
	Columbia Basin - Wildlife State		2.1%	0.25
	Naches - Wildlife State		2.1%	0.25
	Total =		100.0%	12.00

- 1. Annual Budget/SOW Development:** The CM develops the scope of work and participates in contract development and negotiates final contracts. The CM will ensure that budget proposals are carefully and thoughtfully developed and presented to Fish Program for approval prior to submitting to funding entities.
- 2. Budget Tracking:** The CM will ensure that an optimum operating and maintenance budget is defined and ensures that it reflects the Future Brood Document (FBD) production objectives. Once the contracts are approved and in place, the CM is required to enter approved contracts and budgets into the state's contracts database (Novatus) and state's financial tracking system (CAPS Financial). The CM will ensure that facility is operated to stay within the spending plan allotments. The CM is actively involved with budget management and required to provide regular updates to senior management and GCPUD.
- 3. Personnel Management:** The CM will be actively involved in keeping the facility staffed at a level that is appropriate for the production objectives. This will include active involvement in recruitment of employees and management of employee records. The CM will ensure that hatchery staff understands program objectives and manage the facility following standard guidelines set forth by WDFW. This includes following all policy and procedures and managing the facility using accepted hatchery practices and in compliance with all required permits. The CM will ensure that hatchery staff understands their roles and responsibilities as defined by their position descriptions and that they have the necessary skills, abilities, and resources to do their jobs. They are expected to work closely together meeting production objectives and having the most efficient hatchery operations possible.

- 4. Hatchery Operations and Maintenance:** The CM is actively involved in facility fish production, not only working with hatchery staff to provide direction, but to also aid directly with activities. During spawning the CM plays an active role helping staff meet spawning objectives. Coordination of hatchery activities with Wanapum tribal interests, PRH Monitoring & Evaluation staff activities, and GCPUD staff activities requires the support of the CM position. The CM is required to provide oversight on the many activities and all people (some 30+ at times) and ensures that resource and employees are protected and work safely. The CM is responsible for the efficient use of GCPUD resources and is required to resolve any issues that may directly delay or otherwise prevent the staff or the facility from meeting the primary production objective on behalf of GCPUD. Examples of this interaction will include broodstock management, surplus fish and carcass distribution, working with/directing the MM to address infrastructure requirements, biological requirements, and incubation needs.
- 5. Strategic Planning:** The CM proactively develops strategic hatchery plans that reflect understanding and consideration of key issues, emerging trends and the needs of the constituents, GCPUD, USACE and the agency. The elements of these hatchery plans have included fish marking strategies that require production manipulations because of infrastructure limitations. This has included working with GCPUD engineers through hatchery design issues. The CM will continue to be involved in rebuild issues simply by virtue of the amount of coordination between the contractors, GCPUD, and WDFW hatchery staff. The CM will also be actively involved working through the issues associated with management of contracts and production that applies to the USACE and their involvement at Priest Rapids.

	% Time	Staff	GCPUD	ACOE		GCPUD	ACOE		GCPUD	ACOE
	Allocated	Months	64.28%	35.72%		Total Contract Hrs			% of annual time	
<b>1</b>	10%	0.90	0.58	0.32		101	56		5%	3%
<b>2</b>	15%	1.35	0.87	0.48		151	84		7%	4%
<b>3</b>	25%	2.25	1.45	0.80		252	140		12%	7%
<b>4</b>	30%	2.70	1.74	0.96		302	168		14%	8%
<b>5</b>	20%	1.80	1.16	0.64		201	112		10%	5%
	100%	9.00	5.79	3.21		1007	559		48%	27%

#### Objective 1.b.

WDFW managers are required to provide project status and updated management strategies through a WDFW Complex Manager's committee. This may include, but is not limited to, production objectives, marking strategies, and spawning objectives. This requires travel from Moses Lake to Olympia. Hatchery staff may also be required to travel for activities such as training. The union collective bargaining agreement for hatchery staff states in part, "Employees required to travel in order to perform their duties will be reimbursed for authorized travel in accordance with regulations established by the Office of Financial Management". The OFM regulation states in part, "when an employee is greater than 35 miles from his or her duty station, that employee will be

considered in a travel status”. The travel costs associated with this project include vehicle mileage, lodging, and meals.

## **OBJECTIVE 2: HATCHERY OPERATIONS AND MAINTENANCE:**

### **Objective 2.a.**

WDFW’s intent is to operate the adult volunteer trap seven days a week, but only to the extent that the staff and the facility can keep pace with the returning adults.

Hatchery staff will continue to collect broodstock and use the center channel for sorting adults. The only time WDFW staff will be allowed to enter the center channel is if the center channel operation fails and fish are in immediate peril and need to be removed manually. If WDFW staff must enter the center channel it will be supervised by management and all safety protocols and procedures will be followed. Including but not limited to wearing safety harness and adhering to lock out/ tag out procedures. Also confined space protocols must be acted on if entering the center channel.

GCPUD has always supplied two vehicles for broodstock transport from the trap to the center channel. It is anticipated that these vehicles will be available for use again during the contract period. GCPUD will assess the condition of Grant PUD-owned trucks prior to each trapping season. GCPUD must provide the necessary mechanical support to assure Grant PUD-owned trucks are in good working order prior to and during each trapping season to prevent interruptions that limit fish handling efficiency and “throughput”.

### **Objective 2. b.**

WDFW will pond and rear 7.45 million fry with an expected release target of 7.3 million smolts at 50 fpp, including USACE JDM production. The information used to determine the number of fish ponded may be driven by, but not limited to, the 1994 IHOT standard, fish marking strategies, fish size at ponding, and past practices.

Currently, the number of smolts released is an estimation based upon the number of fry ponded minus the known and estimated mortality. Known mortality is the recorded number of dead fish actually removed from the pond. The estimated mortality is an estimation of loss from observed avian predator activity.

### **Objective 2. c.**

The PRH fall Chinook program will be implemented throughout the contract period by WDFW hatchery staff in a way that meets the goals and objectives of the PRH Fall Chinook HGMP and as guided by GCPUD technical staff in consultation with the Priest Rapids Coordinating Committee - Hatchery Subcommittee (PRCC-HSC). In order to achieve these goals, the hatchery facility must be maintained and kept in good working order, and effective communication and coordination between WDFW and GCPUD must occur. The WDFW Hatchery Specialist 4 (HS4) and MM will coordinate closely with the GCPUD Program Manager (GCPUD-PM) as follows:

- The WDFW HS4 (or Complex Manager if HS4 is unavailable), the WDFW MM, the GCPUD-PM will meet on a regular (at least bi-weekly) basis to discuss operational and/or maintenance/repair issues.
- Any identified biological/technical issues that require consultation with the PRCC-HSC

will be communicated with the PRCC-HSC via the GCPUD-PM.

- All facility maintenance tasks (e.g. preventative, corrective, emergency) will be identified and agreed to by the WDFW-HS4 or Complex Manager, and the GCPUD-PM. This group will determine whether the repair can be completed by the WDFW-MM, internal GCPUD mechanical or electrical maintenance staff, external contractors, or some combination thereof.
- The WDFW-MM will assure that all scheduled preventative maintenance occurs as outlined in the Priest Rapids Hatchery Operation & Maintenance (O&M) Manuals provided by the GCPUD- EPM.
- All corrective maintenance will only be completed by the PRH-MM as agreed to between the WDFW Complex Manager or HS4, and the GCPUD-PM.
- Only trained WDFW staff will be allowed to open electrical panels for the purpose of resetting breakers and relay switches., only applies to covered panels.
- All corrective and preventative maintenance completed by the WDFW-MM will be documented and reported to the GCPUD-PM.
- The WDFW-MM shall provide drawing mark-ups for all facility changes made by the WDFW staff in order to update the GCPUD drawing database.
- Time-sensitive emergency repairs which would compromise fish health (loss of water, etc.) will be reported as outlined in the Emergency Communication Protocols. The WDFW-MM will make every attempt to resolve the issue prior to requesting GCPUD support.
- All capital work and capital repairs deemed necessary by the GCPUD-PM and EPM (e.g., access roads, electronic systems, electrical infrastructure, Adult Volunteer Trap finger weir redesign, etc.) will be conducted by GCPUD or its contractors.
- The facility will also be maintained in good condition by WDFW with attention to site appearance and grounds maintenance.
- All vehicles using hatchery access roads will be operated by WDFW in a way that avoids undue damage to the roadways.
- GCPUD will conduct maintenance on all hatchery access roads which includes road to volunteer trap.
- Any materials and supplies that can be procured from the GCPUD warehouse must be requested through the GCPUD-PM.

Through this Contract, WDFW hatchery staff will acquire the appropriate tools needed for the movement of fish between the volunteer trap and the adult holding ponds. Examples of this type of equipment would be dip nets, buckets, crowder materials (lumber and hardware cloth), and miscellaneous hardware and supplies to allow for the hatchery team to conduct business as outlined in Objectives 1 and 2 above. This would include, but is not limited to, office supplies, computer media, cleaning supplies, basic hardware such as fittings and valves, bolts and nuts, screen material, netting materials and basic hand tools such as shovels and rakes.

### **Objective 3: Hanford Reach Angler Broodstock Collection (ABC) Project**

WDFW is proposing to conduct the ABC program for three days, Friday-Sunday for the period of this Contract. During the first year of the Contract period, the event will occur October 29 – 31, 2021. Outyear event dates will be determined later. The WDFW District 4 Fish Biologist will coordinate all activities under this project including planning, volunteer recruitment, adult fish collection, transportation, data collection, and analysis with assistance from the CCA, GCPUD, WDFW Priest Rapids Hatchery, Ringold Springs Hatchery, and the Hanford Reach Monitoring and Evaluation biologist. WDFW staff and volunteers from the Tri-cities Chapter of the CCA will coordinate the registration and fish collection activities each day of the project. Similar to prior years the collection program will be operated as a derby so anglers can



compete for prizes as an incentive to participate. The derby is referred to as the “King of the Reach” event. Derby participation is not mandatory. Registration will be limited to a maximum of 100 boats. There is no restriction on the number of anglers that may participate. Unclipped adult fall Chinook salmon will be captured by hook & line, held in fish trucks at the collection sites, and transported from the three collection locations (Vernita, Punch Bowl, White Bluffs) to Priest Rapids Hatchery. The fish collected will be used for broodstock for the production of fall Chinook to be incubated, reared, and released at Priest Rapids Hatchery.

Increases in angler participation and fish collection over the past three years of the program have resulted in an increase in the WDFW staff and equipment necessary to handle and transport fish. For the period of this Contract, WDFW is proposing to:

1. Operate three collection locations in the Hanford Reach -Vernita, Punch Bowl, and White Bluffs.
2. Operate two shuttle boats and assist with fish handling on a third shuttle boat provided by GCPUD.
3. Meet the collection/fish holding needs by providing adequate fish transport vehicles operated by experienced hatchery staff.
4. Continue to provide enhanced fish holding and transport with the installation of oxygen systems on shuttle boats and treatment of water in fish transport trucks.
5. Maintain the number of recirculation pumps available to anglers at the collection sites to keep pace with registration (inventory from 55 to 75); and
6. Purchase nets designed to handle adult salmon transport between boats and from the shore to transport truck (final year to meet project needs, 4 nets each year for a total of 12 nets).

The estimated cost, not including indirect, for the ABC program is \$29,889 during the first two years, and \$30,789 in year 3. (Table 2). Funds will be used to cover the costs for:

1. Four WDFW fish trucks,
2. Up to four commercial licensed hatchery staff to operate the fish trucks and handle fish at the collection sites for each of the three days of the Project,
3. Provide chemical water treatment to reduce stress during holding and transport,
4. Six vehicles to transport WDFW staff and WDFW shuttle boats to the Vernita and White Bluffs collection locations,
5. Fourteen fisheries technicians each day to coordinate collection activities at the three collections locations including operation of the shuttle boats,
6. Three WDFW shuttle boats to transport adult chinook from fishing boats to the collection locations (2 active + 1 back-ups in case of failure or emergency),
7. Installation of O2 system on all shuttle boats (2 WDFW + 1 GCPUD + 1 CCA),
8. Purchase 25 Super Saver recirculation pumps to convert conventional ice chest to livewell on volunteer angler boats (current inventory at 55)
9. Purchase four additional salmon nets designed specifically for handling fish during this Project,
10. Purchase of additional supplies necessary for the Project.

The WDFW boats will be billed at a cost of \$200 per day that includes the costs of fuel, oil, maintenance, and safety equipment. WDFW will provide the fish holding containers for the GCPUD shuttle boat and provide a technician to assist the GCPUD boat operator. Supervision of the ABC project will continue to be provided by the WDFW District 4 Fish Biologist at no cost to the Project.

This Project will require the following assistance from GCPUD.

1. Fish transport vehicle (1,500 gallon or larger capacity) and licensed operator at the Vernita

- collection site during the hours of collection for each of the three days of the Program.
2. Boat and boat operator to shuttle fish from angler boats to the Vernita collection location during the hours of collection for each of three days of the Program.
3. Construction of fish boots to transport fish from vessels to truck (optional).

**Dates:** FY2022: Friday, October 29<sup>th</sup>; Saturday, October 30<sup>th</sup>; and Sunday, October 31<sup>st</sup>, 2021.

FY2023-FY2024: Friday, Saturday, Sunday dates to be determined for 2022 and 2023.

**Registration:** Online

**Collection:** Vernita, Punch Bowl, White Bluffs: 7am - 4pm Friday-Saturday, 7am - 1pm Sunday

**Shuttle boats:** 7am – 3:30pm Friday-Saturday, 7am – 12:30pm Sunday

**Table 2.** Cost estimate for the Angler Broodstock Collection Program.

				FY2022 & FY2023	FY2024
Vehicles & Equipment (Option 1)	Capacity (gal)	Operational (gal)	Capacity (Fish)	\$4,891	\$5,038
GCPUD (Vernita)	2,500	2,300	170	\$0	\$0
Columbia Basin Freightliner (WB)	2,500	2,300	170	\$1,013	\$1,055
Ringold Freightliner (Punch Bowl)	1,500	1,300	96	\$1,377	\$1,425
Fish Truck: PRH -mini-tanker	500	400	30	\$375	\$394
Columbia Basin 1 Ton	500	400	30	\$469	\$488
Ringold Flatbed	500	400	30	\$469	\$488
Trucks (6): 14 staff	Vernita (3), W Bluffs (2), P Bowl (1)		1,620 miles@0.55	\$1,188	\$1,188
WDFW Shuttle Boats <sup>3</sup> : Vernita (2)	2 boats x 3 days x \$200/day			\$1,200	\$1,200
<sup>3</sup> Third boat will be stationed at Vernita for mechanical failures and emergencies					
Equipment				\$3,525	\$3,631
Nets (4)	Custom built nets for Project (total need = 13)			\$1,000	\$1,030
Fish Transport Boots (4-6)	GCPUD?			\$0	\$0
Oxygen, salt, Vita Life, No Foam				\$500	\$515
Super Saver Recirculation Pumps	25 @ \$45 each (current inventory = 80)			\$1,125	\$1,125
Portable Toilets (W. Bluffs)			\$400	\$400	\$400
Misc Supplies				\$500	\$561
WDFW Staff				\$20,273	\$20,920
Option 1: Truck Drivers (4)					
Technicians (14 each day)	Vernita (Shuttle (5), R&H (3); P Bowl (2); W Bluffs (4)			\$10,448	\$10,761
Subtotal				\$29,889	\$30,789
Indirect (36.28%)				\$10,844	\$11,170
Total				\$40,733	\$41,959

## OBJECTIVE 4: FISH HEALTH

### Objective 4.a.

Fish Health staff from WDFW will provide fish health and disease monitoring for fish at the Priest Rapids Hatchery. The hatchery staff will provide assistance to the Fish Health Specialist (FHS) or Epidemiologist (EPI), who is a veterinarian, while he/she performs routine inspections for fish health. Hatchery staff will monitor all fish during the rearing cycle for evidence of behavior or disease outbreaks. A successful and comprehensive fish health program involves a FHS or EPI who is responsible for the fish health related activities at a hatchery, microbiologists to process laboratory samples, a veterinarian (who is also in the Fish Health Specialist or Epidemiologist class series) to provide prescriptions and veterinary feed directives as necessary. We have included 1 month of FHS or EPI for sampling, health inspections, and veterinarian care; Communication and rental fees for one month of phone and computer charges; Travel fees, which covers mileage charges from FHS/EPI duty station to Priest Rapids Hatchery and lodging and per diem costs; and Goods and Services fees to cover the following aspects of fish health care:

- Virology, ELISA, and bacteriology sample processing within the WDFW Fish Health Laboratory in Olympia, and histology and other work at the Washington Animal Disease Diagnostic Lab, WSU (WADDL).
- Fish health materials and supplies, fish health overnight sample mailing, and field sampling supplies.

### FISH PROGRAM

#### Fish Health Laboratory

#### Priest Rapids Hatchery - Fish Health

Budget FY22-FY24 (July 1, 2021 - June 30, 2024)

Todd Kassler

[Todd.Kassler@dfw.wa.gov](mailto:Todd.Kassler@dfw.wa.gov)

360.902.2722

FY2022 & FY 2023				FY2024		
OBJECT	EPI 3 - Field	Fish Health Lab Services	Total	EPI 3 - Field	Fish Health Lab Services	Total
Staff Months	1.00	0.00	1	1.00	0.00	1
Month Wage	7,945	0	\$7,945	8,183	0	\$8,183
AA - Salaries	7,945	0	\$7,945	8,183	0	\$8,183
<b>TOTAL OBJ A - SALARIES</b>	<b>7,945</b>	<b>0</b>	<b>\$7,945</b>	<b>8,183</b>	<b>0</b>	<b>\$8,183</b>
<b>TOTAL OBJ B - BENEFITS</b>	<b>2,825</b>	<b>0</b>	<b>\$2,825</b>	<b>2,910</b>	<b>0</b>	<b>\$2,910</b>
EA - Supplies	0	450	\$450	0	460	\$460

EB - Communications	40	0	\$40	40	0	\$40
ED - Rentals & Leases	40	0	\$40	40	0	\$40
EL - Data Processing	20	0	\$20	20	0	\$20
EN - Personnel Service	22	0	\$22	22	0	\$22
ES - Vehicle Maint.	1,428	0	\$1,428	1,466	0	\$1,466
EZ - Other Goods & Services	0	4,000	\$4,000	0	4,120	\$4,120
<b>TOTAL OBJ E - GOODS &amp; SERVICES</b>	<b>1,550</b>	<b>4,450</b>	<b>\$6,000</b>	<b>1,588</b>	<b>4,580</b>	<b>\$6,168</b>

GA - In-state Per Diem	300	0	\$300	309	0	\$309
<b>TOTAL OBJ G - TRAVEL</b>	<b>300</b>	<b>0</b>	<b>\$300</b>	<b>309</b>	<b>0</b>	<b>\$309</b>

<b>TOTAL DIRECT COSTS</b>	<b>12,620</b>	<b>4,450</b>	<b>\$17,070</b>	<b>12,990</b>	<b>4,580</b>	<b>\$17,570</b>
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<b>WDFW Indirect @ 36.28%</b>			<b>\$6,193</b>			<b>\$6,374</b>
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<b>Budget Total</b>			<b>\$23,263</b>			<b>\$23,944</b>
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## OBJECTIVE 5: FISH MARKING:

### Objective 5.a.

WDFW will provide supervisory oversight for all fish marking.

GCPUD will provide portable toilet(s) by approximately April 1<sup>st</sup> for this activity.

GCPUD will provide funding to cover cost for marking/tagging of 1.2 million smolts. This includes two groups of marks:

1. 606,000 fish will have an adipose clip and coded-wire tag (AD+CWT).
  - a. FY2022 Cost: \$168/1000 at a total cost of \$101,808.
  - b. FY2023 Cost: \$168/1000 at a total cost of \$101,808.
  - c. FY2024 Cost: \$172/1000 at a total cost of \$104,232.
2. 606,000 fish will have a coded-wire tag only (CWT).
  - a. FY2022 Cost: \$140/1000 at a total cost of \$84,840.
  - b. FY2023 Cost: \$140/1000 at a total cost of \$84,840.
  - c. FY2024 Cost: \$145.241/1000 at a total cost of \$88,016.

During this Contract period, the total direct cost for GCPUD marking and tagging is \$186,648 for FY2022 and FY2023 and \$192,248 for FY2024. WDFW will provide two marking trailers and

approximately 28 support staff. The fish marking at PRH will take approximately 6 weeks. Any and all costs associated with marking activities conducted by WDFW over and above No. 1 and 2, will not be invoiced to GCPUD unless a Change Order to this contract is executed.

#### **Objective 6: Reporting**

WDFW will submit monthly program/facility reports to the GCPUD project manager by the 10<sup>th</sup> day of the month following the reporting period. Reports will contain information similar to past monthly reports, but additional information may be requested for inclusion by GCPUD when a standard template for monthly reports is developed by the GCPUD project manager and WDFW staff in spring/summer 2021.

WDFW will submit to the GCPUD project manager a draft annual program/facility report for the previous year's operations by September 1 each year. This report will contain information similar to past annual reports, but additional information may be requested for inclusion by GCPUD when a standard template for annual reports is developed by the GCPUD project manager and WDFW staff in spring/summer 2021. The GCPUD project manager will provide comments to the draft report to WDFW by September 21 each year. The GCPUD project manager and WDFW will then coordinate as needed to produce a final draft report by October 5 annually.

#### **Objective 7: Biosecurity Audits**

WDFW'S regional Fish Health Specialist/Aquatic Veterinarian, in collaboration with the Priest Rapids Complex Manager and Fish Hatchery Specialist 4s, shall maintain a site-specific checklist for conducting semi-annual bio-security audits of each GCPUD-owned facility. Semi-annual audits shall be conducted randomly and attended by the facility's Fish Health Specialist/Aquatic Veterinarian, Priest Rapids Complex Manager, and Grant PUD's hatchery project manager. WDFW's Fish Health Specialist/Aquatic Veterinarian shall coordinate the audits and provide copies of completed checklists to the Complex Manager, Fish Hatchery Specialist 4s and GCPUD hatchery program manager. The facility's Fish Hatchery specialist 4 shall provide a written response (via email) to the Auditors within 14-days of the audit. The response shall indicate how transgressions will be resolved and indicate a compliance date. WDFW hatchery staff shall resolve minor bio-security infractions that are covered within the scope of services provided herein within 30 days of the audit. Resolved bio-security infractions shall be recorded in the checklist and reported to the Auditors.

#### **5.0 BUDGET: (Please see budget worksheets attached)**

**WASHINGTON DEPARTMENT OF FISH AND WILDLIFE: PRH OPERATIONS AND MAINTENANCE BUDGET  
BASE BUDGET-3 YEAR SUMMARY (COMBINED GRANT PUD AND USACOE COSTS)**

PRIEST RAPIDS HATCHERY FY2022-2024 O&M BUDGET: WDFW FULL DETAIL SUMMARY													
STATUS NOTES: Breakdown is calculated using WDFW 3/11/2021 3-year budget.													
WASHINGTON DEPARTMENT OF FISH AND WILDLIFE													
PRIEST RAPIDS HATCHERY													
OPERATIONS AND MAINTENANCE BUDGET REQUEST													
July 1, 2021 through June 30, 2024 FY2022-2024													
FINAL 3/11/2021													
				FY 2022			FY 2023			FY 2024			FY22-24
				Direct	Indirect	Grand Total	Direct	Indirect	Grand Total	Direct	Indirect	Grand Total	Grand Total
A. Salaries													
	Regional Fish Program Manager	1.25 MM	Darren Friedel	10,678	3,874	0	10,678	3,874	0	10,998	3,990	0	
	Complex Manager	9.0 MM	Brian Lyon	62,145	22,546	0	62,145	22,546	0	64,008	23,222	0	
	Hatchery Specialist 4	12 MM	Glen Pearson	67,560	24,511	0	67,560	24,511	0	69,588	25,247	0	
	Maintenance Mechanic 2	12 MM	Rudy Lara	58,260	21,137	0	58,260	21,137	0	61,500	22,312	0	
	Hatchery Specialist 3	12 MM	Renee Shaw	56,856	20,627	0	56,856	20,627	0	60,000	21,768	0	
	Hatchery Specialist 2	12 MM	Nicholas Jenks	45,504	16,509	0	47,844	17,358	0	49,284	17,880	0	
	Hatchery Specialist 2	12 MM	Steven Hughes	43,392	15,743	0	45,504	16,509	0	49,284	17,880	0	
	Hatchery Specialist 2	10 MM	Sarah Windsor	35,350	12,825	0	37,010	13,427	0	40,040	14,527	0	
	Hatchery Specialist 2	10 MM	Paul Goodmanson	37,920	13,757	0	39,870	14,465	0	41,070	14,900	0	
	Hatchery Specialist 2	10 MM	Cheri Tiller	32,940	11,951	0	34,460	12,502	0	37,240	13,511	0	
	Fish Hatchery Technician	6 MM	Vacant	16,062	5,827	0	16,062	5,827	0	16,542	6,001	0	
	Fish Hatchery Technician	6 MM	Vacant	16,062	5,827	0	16,062	5,827	0	16,542	6,001	0	
	Overtime/Holiday Pay			18,000	6,530	0	19,000	6,893	0	20,000	7,256	0	
	Truck Driver Pay			1,500	544	0	1,500	544	0	1,600	580	0	
	Standby			8,000	2,902	0	8,100	2,939	0	8,600	3,120	0	
			<b>Salaries SubTotal</b>	<b>510,229</b>	<b>185,111</b>	<b>695,340</b>	<b>520,911</b>	<b>188,987</b>	<b>709,898</b>	<b>546,296</b>	<b>198,196</b>	<b>744,492</b>	<b>2,149,730</b>
B. Benefits													
	Regional Fish Program Manager	1.25 MM	Darren Friedel	3,532	1,281	0	3,532	1,281	0	3,598	1,305	0	
	Complex Manager	9.0 MM	Brian Lyon	22,389	8,123	0	22,389	8,123	0	22,774	8,262	0	
	Hatchery Specialist 4	12 MM	Glen Pearson	26,691	9,683	0	26,691	9,683	0	27,110	9,836	0	
	Maintenance Mechanic 2	12 MM	Rudy Lara	24,770	8,987	0	24,770	8,987	0	25,400	9,215	0	
	Hatchery Specialist 3	12 MM	Renee Shaw	24,480	8,881	0	24,480	8,881	0	25,130	9,117	0	
	Hatchery Specialist 2	12 MM	Nicholas Jenks	22,135	8,031	0	22,619	8,206	0	22,916	8,314	0	
	Hatchery Specialist 2	12 MM	Steven Hughes	21,699	7,872	0	22,135	8,031	0	22,916	8,314	0	
	Hatchery Specialist 2	10 MM	Sarah Windsor	17,915	6,500	0	18,258	6,624	0	18,884	6,851	0	
	Hatchery Specialist 2	10 MM	Paul Goodmanson	18,446	6,692	0	18,849	6,838	0	19,097	6,928	0	
	Hatchery Specialist 2	10 MM	Cheri Tiller	17,418	6,319	0	17,731	6,433	0	18,306	6,641	0	
	Fish Hatchery Technician	6 MM	Vacant	9,686	3,514	0	9,686	3,514	0	9,785	3,550	0	
	Fish Hatchery Technician	6 MM	Vacant	9,686	3,514	0	9,686	3,514	0	9,785	3,550	0	
	Overtime/Holiday Pay			9,000	3,265	0	9,500	3,447	0	10,000	3,628	0	
	Truck Driver Pay			750	272	0	750	272	0	800	290	0	
	Standby			4,000	1,451	0	4,050	1,469	0	4,300	1,560	0	
			<b>Benefits SubTotal</b>	<b>232,597</b>	<b>84,386</b>	<b>316,983</b>	<b>235,126</b>	<b>85,304</b>	<b>320,430</b>	<b>240,801</b>	<b>87,363</b>	<b>328,164</b>	<b>965,577</b>

E - Supplies and Materials													
EA - Supplies and Materials				6,000	2,177		6,000	2,177		6,180	2,242		
GCPUD	0003	Fish Food		150,000	N/A		153,000	N/A		156,000	N/A		
ACOE		Fish Food		50,000	N/A		51,000	N/A		54,000	N/A		
EB - Communication/Telecommunications				2,200	798		2,200	798		2,300	834		
EC - Utilities				-6,300	N/A		-6,300	N/A		-6,300	N/A		
EG - Employee Prof Dev & Training				3,000	1,088		3,000	1,088		3,100	1,125		
EH - Rental & Leases				500	181		500	181		500	181		
ER - Other Contractual Services													
Marking Total (w/o Indirect)				1,500	544		1,500	544		1,550	562		
GCPUD	Fish Marking (Automated Trailer)(606K Ad/CWT)	FY2022-23	\$276,748	101,808	36,936		101,808	36,936		104,232	37,815		
GCPUD	Fish Marking (Automated Trailer)(606K CWT)	FY2024	\$285,048	84,840	30,780		84,840	30,780		88,016	31,932		
ACOE	Fish Marking (1.717M Ad Only)			90,100	32,688		90,100	32,688		92,800	33,668		
	Pass-Thru			481,729	N/A		488,742	N/A		490,011	N/A		
	Angler Caught Broodstock			29,889	10,844		29,889	10,844		30,789	11,170		
	Fish Health			17,070	6,193		17,070	6,193		17,570	6,374		
ES - Vehicle Maintenance & Operating Costs				8,000	2,902		10,000	3,628		10,300	3,737		
EZ - Other Goods and Services ( NPDES Permit)				5,000	1,814		5,000	1,814		5,200	1,887		
G - Travel													
GA - In-State Subsistence & Lodging				2,000	726		2,000	726		2,100	762		
GC - Private Automobile Mileage				0	0		0	0		0	0		
GD - Other Travel Expenses				0	0		0	0		0	0		
GF - Out-Of-State Subsistence and Lodging				0	0		0	0		0	0		
GN - Motor Pool Services				20,000	7,256		25,000	9,070		25,750	9,342		
J - Non-Capitalized Assets													
JA - Non-Capitalized Assets				5,000	0		5,000	0		5,000	0		
E,G,J Subtotal				1,052,335	134,928	1,187,263	1,070,348	137,467	1,207,816	1,089,098	141,632	1,230,730	3,625,809
K. Contract Services													
T. Overhead 36.28% of Total Excluding Fish Food & Capital Assets					404,425			411,758			427,191		1,243,374
GRAND TOTAL				1,795,161	404,425	2,199,586	1,826,385	411,758	2,238,143	1,876,195	427,191	2,303,386	6,741,115

**WASHINGTON DEPARTMENT OF FISH AND WILDLIFE: PRH OPERATIONS AND MAINTENANCE BUDGET  
BASE BUDGET-3 YEAR SUMMARY (GRANT PUD COSTS)**

<b>PRIEST RAPIDS HATCHERY FY2022-2024 O&amp;M BUDGET: GRANT PUD DETAIL SUMMARY</b>									
<i>STATUS NOTES: Breakdown is calculated using WDFW 3/11/2021 3-year budget.</i>									
WASHINGTON DEPARTMENT OF FISH AND WILDLIFE									
PRIEST RAPIDS HATCHERY									
OPERATIONS AND MAINTENANCE BUDGET REQUEST									
July 1, 2021 through June 30, 2024 FY2022-2024									
FINAL 3/11/2021									
						GPUD FY22	GPUD FY23	GPUD FY24	3-YR TOTAL
<b>A. Salaries</b>									
	Regional Fish Program Manager		1.25 MM		Darren Friedel	9,155	9,155	9,430	27,741
	Complex Manager		9.0 MM		Brian Lyon	53,284	53,284	54,881	161,449
	Hatchery Specialist 4		12 MM		Glen Pearson	57,927	57,927	59,666	175,520
	Maintenance Mechanic 2		12 MM		Rudy Lara	49,953	49,953	52,731	152,637
	Hatchery Specialist 3		12 MM		Renee Shaw	48,749	48,749	51,445	148,943
	Hatchery Specialist 2		12 MM		Nicholas Jenks	39,016	41,022	42,257	122,295
	Hatchery Specialist 2		12 MM		Steven Hughes	37,205	39,016	42,257	118,478
	Hatchery Specialist 2		10 MM		Sarah Windsor	30,310	31,733	34,331	96,373
	Hatchery Specialist 2		10 MM		Paul Goodmanson	32,513	34,185	35,214	101,912
	Hatchery Specialist 2		10 MM		Cheri Tiller	28,243	29,547	31,930	89,720
	Fish Hatchery Technician		6 MM		Vacant	13,772	13,772	14,183	41,727
	Fish Hatchery Technician		6 MM		Vacant	13,772	13,772	14,183	41,727
	Overtime/Holiday Pay					15,433	16,291	17,148	48,873
	Truck Driver Pay					1,286	1,286	1,372	3,944
	Standby					6,859	6,945	7,374	21,178
<b>Salaries SubTotal</b>						<b>437,478</b>	<b>446,637</b>	<b>468,402</b>	<b>1,352,517</b>
<b>B. Benefits</b>									
	Regional Fish Program Manager		1.25 MM		Darren Friedel	3,028	3,028	3,085	9,142
	Complex Manager		9.0 MM		Brian Lyon	19,197	19,197	19,527	57,920
	Hatchery Specialist 4		12 MM		Glen Pearson	22,885	22,885	23,245	69,015
	Maintenance Mechanic 2		12 MM		Rudy Lara	21,238	21,238	21,778	64,255
	Hatchery Specialist 3		12 MM		Renee Shaw	20,990	20,990	21,547	63,526
	Hatchery Specialist 2		12 MM		Nicholas Jenks	18,979	19,394	19,649	58,021
	Hatchery Specialist 2		12 MM		Steven Hughes	18,605	18,979	19,649	57,232
	Hatchery Specialist 2		10 MM		Sarah Windsor	15,361	15,655	16,191	47,207
	Hatchery Specialist 2		10 MM		Paul Goodmanson	15,816	16,161	16,374	48,351
	Hatchery Specialist 2		10 MM		Cheri Tiller	14,934	15,203	15,696	45,833
	Fish Hatchery Technician		6 MM		Vacant	8,305	8,305	8,390	25,000
	Fish Hatchery Technician		6 MM		Vacant	8,305	8,305	8,390	25,000
	Overtime/Holiday Pay					7,717	8,145	8,574	24,436
	Truck Driver Pay					643	643	686	1,972
	Standby					3,430	3,473	3,687	10,589
<b>Benefits SubTotal</b>						<b>199,432</b>	<b>201,601</b>	<b>206,466</b>	<b>607,499</b>
<b>E - Supplies and Materials</b>									
<b>EA - Supplies and Materials</b>									
GCPUD	0003	Fish Food				5,144	5,144	5,299	15,588
ACOE						150,000	153,000	156,000	459,000
						0	0	0	0
<b>EB - Communication/Telecommunications</b>									
						1,886	1,886	1,972	5,745
<b>EC - Utilities</b>									
						-3,964	-3,964	-3,964	-11,891
<b>EG - Employee Prof Dev &amp; Training</b>									
						2,572	2,572	2,658	7,802
<b>EH - Rental &amp; Leases</b>									
						429	429	429	1,286
<b>ER - Other Contractual Services</b>									
GCPUD	Fish Marking (Automated Trailer)(606K Ad/CWT)			\$276,748		1,286	1,286	1,329	3,901
GCPUD	Fish Marking (Automated Trailer)(606K CWT)					138,744	138,744	142,047	419,535
GCPUD	Fish Marking (Automated Trailer)(606K CWT)					115,620	115,620	119,948	351,188
ACOE	Fish Marking (1.717M Ad Only)					0	0	0	0
		Pass-Thru							
		Angler Caught Broodstock				40,733	40,733	41,959	123,425
		Fish Health				14,636	14,636	15,065	44,337
<b>ES - Vehicle Maintenance &amp; Operating Costs</b>									
						6,859	8,574	8,831	24,265
<b>EZ - Other Goods and Services ( NPDES Permit)</b>									
						4,287	4,287	4,459	13,033



G - Travel							
GA - In-State Substance & Lodging				1,715	1,715	1,801	5,230
GC - Private Automobile Mileage				0	0	0	0
GD - Other Travel Expenses				0	0	0	0
GF - Out-Of-State Substance and Lodging				0	0	0	0
GN - Motor Pool Services				17,148	21,435	22,078	60,662
J - Non-Capitalized Assets							
JA - Non-Capitalized Assets				3,146	3,146	3,146	9,437
			E,G,J Subtotal	500,242	509,244	523,057	1,532,544
K. Contract Services				0	0	0	0
T. Overhead	36.28% of Total Excluding Fish Food & Capital Assets	(Incorporated into itemized costs)		263,014	267,627	277,596	808,237
			GRAND TOTAL	1,137,152	1,157,481	1,197,926	3,492,559

**WASHINGTON DEPARTMENT OF FISH AND WILDLIFE: PRH OPERATIONS AND MAINTENANCE BUDGET  
BASE BUDGET-3 YEAR SUMMARY (USACOE COSTS)**

PRIEST RAPIDS HATCHERY FY2022-2024 O&M BUDGET: USACOE DETAIL SUMMARY								
STATUS NOTES: Breakdown is calculated using WDFW 3/11/2021 3-year budget.								
WASHINGTON DEPARTMENT OF FISH AND WILDLIFE								
PRIEST RAPIDS HATCHERY								
OPERATIONS AND MAINTENANCE BUDGET REQUEST								
July 1, 2021 through June 30, 2024 FY2022-2024								
FINAL 3/11/2021								
					ACOE FY22	ACOE FY23	ACOE FY24	3-YR TOTAL
<b>A. Salaries</b>								
	Regional Fish Program Manager		1.25 MM	Darren Friedel	5,397	5,397	5,558	16,351
	Complex Manager		9.0 MM	Brian Lyon	31,407	31,407	32,349	95,163
	Hatchery Specialist 4		12 MM	Glen Pearson	34,144	34,144	35,169	103,456
	Maintenance Mechanic 2		12 MM	Rudy Lara	29,444	29,444	31,081	89,969
	Hatchery Specialist 3		12 MM	Renee Shaw	28,734	28,734	30,323	87,791
	Hatchery Specialist 2		12 MM	Nicholas Jenks	22,997	24,180	24,907	72,084
	Hatchery Specialist 2		12 MM	Steven Hughes	21,930	22,997	24,907	69,834
	Hatchery Specialist 2		10 MM	Sarah Windsor	17,865	18,704	20,236	56,805
	Hatchery Specialist 2		10 MM	Paul Goodmanson	19,164	20,150	20,756	60,070
	Hatchery Specialist 2		10 MM	Cheri Tiller	16,647	17,416	18,821	52,884
	Fish Hatchery Technician		6 MM	Vacant	8,117	8,117	8,360	24,595
	Fish Hatchery Technician		6 MM	Vacant	8,117	8,117	8,360	24,595
	Overtime/Holiday Pay				9,097	9,602	10,108	28,807
	Truck Driver Pay				758	758	809	2,325
	Standby				4,043	4,094	4,346	12,483
<b>Salaries SubTotal</b>					<b>257,862</b>	<b>263,261</b>	<b>276,090</b>	<b>797,213</b>
<b>B. Benefits</b>								
	Regional Fish Program Manager		1.25 MM	Darren Friedel	1,785	1,785	1,818	5,388
	Complex Manager		9.0 MM	Brian Lyon	11,315	11,315	11,510	34,140
	Hatchery Specialist 4		12 MM	Glen Pearson	13,489	13,489	13,701	40,679
	Maintenance Mechanic 2		12 MM	Rudy Lara	12,518	12,518	12,837	37,874
	Hatchery Specialist 3		12 MM	Renee Shaw	12,372	12,372	12,700	37,444
	Hatchery Specialist 2		12 MM	Nicholas Jenks	11,187	11,431	11,581	34,199
	Hatchery Specialist 2		12 MM	Steven Hughes	10,966	11,187	11,581	33,734
	Hatchery Specialist 2		10 MM	Sarah Windsor	9,054	9,227	9,544	27,825
	Hatchery Specialist 2		10 MM	Paul Goodmanson	9,322	9,526	9,651	28,500
	Hatchery Specialist 2		10 MM	Cheri Tiller	8,803	8,961	9,252	27,015
	Fish Hatchery Technician		6 MM	Vacant	4,895	4,895	4,945	14,736
	Fish Hatchery Technician		6 MM	Vacant	4,895	4,895	4,945	14,736
	Overtime/Holiday Pay				4,548	4,801	5,054	14,403
	Truck Driver Pay				379	379	404	1,162
	Standby				2,022	2,047	2,173	6,242
<b>Benefits SubTotal</b>					<b>117,551</b>	<b>118,829</b>	<b>121,697</b>	<b>358,078</b>
<b>E- Supplies and Materials</b>								
<b>EA - Supplies and Materials</b>					3,032	3,032	3,123	9,188
GCPUD	0003	Fish Food			0	0	0	0
ACOE		Fish Food			50,000	51,000	54,000	155,000
					0	0	0	0
<b>EB - Communication/Telecommunications</b>					1,112	1,112	1,162	3,386
<b>EC - Utilities</b>					-2,336	-2,336	-2,336	-7,009
<b>EG - Employee Prof Dev &amp; Training</b>					1,516	1,516	1,567	4,599
<b>EH - Rental &amp; Leases</b>					253	253	253	758
<b>ER - Other Contractual Services</b>					758	758	783	2,300
GCPUD	Fish Marking (Automated Trailer)(606K Ad/CWT)			\$276,748	0	0	0	0
GCPUD	Fish Marking (Automated Trailer)(606K CWT)				0	0	0	0
ACOE	Fish Marking (1.717M Ad Only)				122,788	122,788	126,468	372,043
		Pass-Thru			481,729	488,742	490,011	
		Angler Caught Broodstock			0	0	0	0
		Fish Health			8,627	8,627	8,880	26,133
<b>ES - Vehicle Maintenance &amp; Operating Costs</b>					4,043	5,054	5,205	14,302
<b>EZ - Other Goods and Services ( NPDES Permit)</b>					2,527	2,527	2,628	7,682

G - Travel							
GA - In-State Substance & Lodging				1,011	1,011	1,061	3,083
GC - Private Automobile Mileage				0	0	0	0
GD - Other Travel Expenses				0	0	0	0
GF - Out-Of-State Substance and Lodging				0	0	0	0
GN - Motor Pool Services				10,108	12,635	13,014	35,756
J - Non-Capitalized Assets							
JA - Non-Capitalized Assets				1,854	1,854	1,854	5,563
			E,G,J Subtotal	687,021	698,572	707,673	2,093,266
K. Contract Services				0	0	0	0
T. Overhead	36.28% of Total Excluding Fish Food & Capital Assets	(Incorporated into itemized costs)		141,411	144,130	149,595	435,137
			GRAND TOTAL	1,062,434	1,080,662	1,105,460	3,248,556

**APPENDIX "B"**  
**CONTRACTOR SAFETY REQUIREMENTS**

**CS-1. PURPOSE**

To the extent applicable, the Contractor shall ensure that all workers, subcontractors, and suppliers comply with these Safety requirements. In fulfilling these requirements, the Contractor shall also comply with material and equipment manufacturer instructions, and safety and health requirements stated in the Scope of Services where applicable. If there are conflicts between any of the requirements referenced in the Contract Documents, the more stringent requirement shall prevail.

**CS-2. GENERAL**

- A. Initial/Warning Notice: Any District employee may notify the Contractor of any safety or health concern. The notice may be delivered verbally to any Contractor employee or subcontractor and the District employee shall notify the District Representative of the Notice. Written notification may be provided to the Contractor at the discretion of the District Representative. The notice shall have the same effect on the Contractor regardless of format or recipient. The Contractor shall take immediate action to mitigate the safety and health concerns identified in the District's notice.
- B. Stop Work Order: District employees also have the authority to immediately stop a work activity without issuing the Initial/Warning Notice. The District employee will immediately notify the District Representative of the Stop Work Order. The District Representative may direct the Contractor to stop work due to safety and health concerns. The Stop Work Order may cover all work on the Contract or only a portion of the work. After the District issues a Stop Work Order, the Contractor shall meet with District Representatives (as determined by the District Representative) to present a written statement outlining specific changes and/or measures the Contractor will make to work procedures and/or conditions to improve safety and health. A Stop Work Order can be rescinded only with the written approval of the District Representative.
  - 1. The Contractor shall not be entitled to any adjustment of the Contract price or schedule when the District stops a work activity due to safety and health concerns that occurred under the Contractor's, Subcontractor's, or supplier's control.
  - 2. The District's conduct does not alter or waive the Contractor's safety and health obligations.
  - 3. Contractor shall provide an onsite Safety Professional as directed by the District Representative based upon number and/or severity of identified safety infractions.
  - 4. Non-compliance with safety requirements could lead to termination of the contract in accordance with Section 17.
- C. The Contractor shall maintain an accurate record of, and shall immediately report to the District Representative all cases of near miss or recordable injury as defined by OSHA, damage to District or public property, or occupational diseases arising from, or incident to, performance of work under this Contract.
  - 1. The record and report shall include where the incident occurred, the date of the incident, a brief description of what occurred, and a description of the preventative measures to be taken to avoid recurrence, any restitution or settlement made, and the status of these items. A written report shall be delivered to the District Representative within five business days of any such incident or occurrence.

2. In the event of a serious incident, injury or fatality the immediate group shall stop work. The Contractor/subcontractor shall secure the scene from change until released by the authority having jurisdiction. The Contractor shall collect statements of the crew/witnesses as soon as practical. The District reserves the right to perform an incident investigation in parallel with the Contractor. The Contractor, subcontractor, and their workers shall fully cooperate with the District in this investigation.
  3. All cases of death, serious incidents, injuries or other incidents, as determined by the District Representative, shall be investigated by the Contractor to identify all causes and to recommend hazard control measures. A written report of the investigation shall be delivered to the District Representative within 30 calendar days of any such incident or occurrence.
  4. For situations that meet the reporting requirements of WAC 296-800, the Contractor shall self-report and notify the District Representative. The District Representative shall notify the District's Safety personnel.
- D. The Contractor/subcontractor shall conduct and document job briefings each morning with safety as an integral part of the briefing. The Contractor/Subcontractor shall provide an equivalent job briefing to personnel and/or visitors entering the job site after the original job briefing has been completed. Immediately upon request, the Contractor shall provide copies of the daily job briefing and any other safety meeting notes to the District Representative. The notes, at a minimum, shall include date, time, topics, and attendees and shall be retained by the Contractor for the duration of the Contractor's warranty period.
- E. Job Site Reviews Performed by the District: The Contractor Site Representative or other lead personnel, if requested by the District, shall be required to participate in District job briefs and/or District job site reviews that pertain to the work being performed by the District that may impact the Contractor's work.
- F. Job Site Reviews Performed by Contractor: Each Contractor and Subcontractor shall perform and document weekly safety reviews of their work area(s) by a competent person as defined by WAC 296-62-020. Immediately upon request, the Contractor shall provide a copy of the documented job site review to the District Representative. Contractor and Subcontractor supervisors/foremen shall take immediate action to correct violations, unsafe practices, and unsafe conditions. The Contractor and Subcontractor shall be solely responsible to review and monitor the work area or location of all their employees during the performance of work.
- G. Site Specific Safety Plan (SSSP): The Contractor shall prepare, implement, and enforce a SSSP for all work included in this Contract. The SSSP shall be delivered to and accepted by the District Representative prior to the start of any on-site work.
1. The SSSP shall, at a minimum, identify and provide mitigation measures for any recognized hazards or conditions. Site and adjacent conditions shall be considered. All significant hazards, including unusual or unique hazards or conditions specific to the Contract work shall be identified and mitigated. The Contractor shall provide a clear delegation of authority for the work site(s). The Contractor shall identify, locate, and provide direction to the nearest emergency medical facilities. This shall include telephone numbers for emergency services in the area.

2. The Contractor shall make available to all workers at the site(s) the SSSP and ensure that all workers are familiar with the content and requirements of the SSSP. Any subcontractors shall adhere to the Contractor's SSSP.
3. Any emergent hazards not identified in the SSSP shall require a Job Hazard Analysis prior to starting work on the associated job.

### CS-3. SPECIALIZED WORK

- A. Cord Covers to High Traffic Areas: Contractors shall be required to protect all electrical cords, air lines, hydraulic hoses, water hoses, and other cords, hose, cables, and pipes to prevent them from being driven over or creating tripping or other hazards including at a minimum but not limited to utilizing cord covers in high traffic areas and installing temporary barriers when necessary to prevent foot or vehicle traffic. The above is a District requirement.

B. Caution and Danger Barriers:

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

Contractors that will be introducing hazards as part of their work must barricade the hazardous area to prevent employees from entering the area in accordance with District Policy SA121200-POL. The above is a Code requirement.

- C. Confined Spaces: Contractor shall comply with relevant parts of District Policy SA111103-POL. The purpose of a Confined Space Program is to ensure safe practices are utilized prior to and during all work activities in confined spaces at District work locations. The District's program is designed to prevent personal injuries, illness, and fatalities in confined spaces. As an employer, the District has developed and implemented a policy to meet the written program requirements specified in OSHA regulation 29 CFR 1926 subpart AA and WAC 296-809, the Confined Spaces in Construction Standard. The above is a Code requirement.

D. Safety Procedures

1. Fire
  - a. The Contractor shall exercise all reasonable caution to prevent fires. Flammable rubbish, especially accumulations of paper, excelsior, and oil-soaked materials, shall be removed from the premises and disposed of as soon as possible. Gasoline, alcohol, oil, solvents, and other flammable substances shall be kept in approved safety containers. All protective covers, drop cloths, and tarpaulins are to be flameproof.
  - b. The Contractor shall supply and keep adequate fire extinguishing equipment on hand at all times, and in close proximity to the equipment being worked on.
2. Personal Protective Equipment

3. Contractor shall have on hand and supply its workers, Subcontractors and sub-suppliers with proper protective clothing as required by OSHA, WISHA, and/or other regulatory agencies. Working on, over or adjacent to water.
  - a. All work that takes place on, over or adjacent to water regardless of type shall comply with the most recent version of WAC 296-155-235.
  - b. All Contractors must wear a U.S. Coast Guard approved life saving device.
4. Welding.
  - a. Use of Smoke Eaters When Welding: Contractors performing welding activities around the hatchery grounds shall use containment, mechanical ventilation, local exhaust systems and filtration as necessary to prevent visible accumulation of welding fumes and smoke indoors. The above is a District requirement.
  - b. Flash Protection during Welding Activities: Contractor shall employ screening in any areas where welding activities occur to protect others from the welding glare. The screening shall be positioned without restricting ventilation. The screening shall be painted with paint that absorbs ultraviolet radiation. The above is a District requirement.
5. Emergencies

If an emergency situation is created or observed by the Contractor, the District's Dispatch Center should be contacted immediately. To contact the Dispatch Center from:

  - a. A District telephone, dial ext. 2237 or 2238.
  - b. An outside telephone line, dial 1-800-216-5226.

The Dispatch Center is manned 24 hours per day.
6. Security

The District's check-in/check-out procedure must be followed by the Contractor's employees and Subcontractor(s) whenever they are at the worksite.

**APPENDIX "C"**  
**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.
- D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2  
of Grant County, Washington

Washington State Department of Fish and Wildlife

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**APPENDIX “D”**  
**TASK AUTHORIZATION FOR**  
**PROFESSIONAL SERVICES**

Contract No.:	430-10967	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  
Wildlife  
of Grant County, Washington

Washington State Department of Fish and

Approved for District

Accepted by Contractor

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

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

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

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

Title: District Representative

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

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

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

**APPENDIX “E”**  
**HOUSING RULES AND REGULATIONS**  
**Public Utility District No. 2 of Grant County, WA**

THIS AGREEMENT, is made a part hereof by and between Washington State Department of Fish & Wildlife (WDFW), hereinafter called the “Contractor” and the Public Utility District No. 2 of Grant County, WA, hereinafter called “District”.

1. PREMISES. The District does hereby provide to Contractor the premises located near the Priest Rapids Hatchery at **516 W. Autumn Loop, Desert Aire, WA 99349, 858 N. Desert Aire Drive, Desert Aire, WA 99349, and 306 N. Atterbury Drive, Desert Aire, WA 99349** (hereinafter referred to as “premises”), upon the terms and conditions contained herein for occupancy by Contractor’s employees.
2. RENTAL. The District shall provide the Contractor for the Contractor’s use in completing the work under Contract No. 430-10967, one District-owned housing unit at no charge to the Contractor.
3. CONDITION OF PREMISES / INSPECTION/DAMAGE. No representations have been made by District to Contractor, express or implied, concerning the condition of the premises and the same is hereby leased to Contractor in its “as is” condition. Prior to any Contractor occupancy or change of occupancy of premises, and again after surrendering the premises, Contractor and District shall prepare a list of the existing condition of the premises. A dated signed copy of such lists shall be retained by both Contractor and District for purposes of identifying and assisting in resolution of any damage to the premises caused by Contractor.
4. UTILITIES. Electricity will be metered to the home and the District shall pay all cost of electrical services. Phone, internet, and television services will not be provided by the District. Sewer and water will be provided by the District at no additional charge.
5. GARBAGE COLLECTION. The District shall coordinate and provide waste collection pickup for the premises at no cost to the Contractor.
6. YARD WASTE. Disposal of yard wastes such as grass clippings, shrub and tree trimmings, leaves, garden residue, household garbage, etc. shall be made in the provided receptacle or otherwise removed from premises grounds to a Grant County landfill or transfer station. **NO BURNING OF YARD WASTE INSIDE OR IN THE VICINITY OF THE PREMISES IS PERMITTED.**
7. CONTRACTOR DUTIES. Contractor shall, in addition to the other obligations provided in these Rules and Regulations, perform the following duties and assume all costs associated with the performance of such duties:
  - (a) Comply with all applicable municipal, county, and state codes, laws, and advisories.

- (b) Comply with applicable covenants, conditions, and restrictions as defined in the Desert Aire Owners Association Restated Declaration of Covenants, Conditions and Restrictions.
- (c) Use the premises exclusively for a private residence and only by Contractor's employee and members of Contractor's employee's immediate family (spouse/significant other and children). Contractor's employees may be allowed to share a residence if agreeable to both the District and the Contractor. Each adult in the household shall not allow additional families or persons to reside therein for other than visits of short duration (no more than 2 weeks).
- (d) Keep the premises in a neat, clean and sanitary condition.
- (e) Properly dispose of all rubbish, garbage, and other organic waste in a sanitary manner and assume all costs of extermination or fumigation for infestation inside the premises occurring as a result of Contractor's employee's behavior during the tenancy within the premises.
- (f) Not intentionally or negligently destroy, deface, damage, or impair or remove any part of the premises, their appurtenances, facilities, equipment, furnishings, and appliances, nor permit any member of his or her family, invitee, licensee or other person acting under his or her control to do so.
- (g) Keep the lawn mowed, trimmed, watered, and free from weeds and keep sidewalk free of ice and snow.
- (h) Keep the premises in good repair and condition including the interior, all glass, lighting, fixtures, and appliances.
- (i) Garbage receptacles as furnished by Waste Management shall be on the premises grounds. Disposal of yard wastes such as grass clippings, shrub and tree trimmings, leaves, garden residue, household garbage, etc. shall be made in the provided receptacle or otherwise removed from premises grounds to a Grant County landfill or transfer station (see section 6). NO BURNING OF TRASH INSIDE OR IN THE VICINITY OF THE PREMISES IS PERMITTED.
- (j) If desired by the Contractor's employee(s), decorative flowers, plants, and other small bushes may be planted at the Contractor's employee's own expense (including all maintenance and irrigation) with written approval by the District.
- (k) Notify the District immediately in writing of any necessary repairs or damage to the premises.
- (l) Permit the District, its agents, employees, or representatives to enter the premises with a two (2) business day advance notice and at reasonable times for the purpose of inspections or to make necessary repairs or improvements. Permit the District, its agents, employees, or representatives to immediately enter the premises in the event of an emergency.
- (m) Not permit a nuisance or common waste (i.e., various garbage, old cars, lawn clippings, general refuse, etc.) to accumulate on the premises.
- (n) Store all vehicles, trailers, boats, RVs in an orderly manner. Do not allow any non-operable vehicle to be located on the adjacent street, other common parking areas, or elsewhere on the premises for more than fourteen (14) calendar days. Derelict vehicles and trailers, or parts thereof, shall not be stored the premises. Said vehicles and trailers, or parts thereof, shall be removed at the Contractor's expense within fourteen (14) calendar days of official notification

- (o) Not permit animals to be on the premises except a total of two (2) pets per household. Pets shall be limited to dogs and cats. Other animals or more than the two-animal limit may be allowed with written permission from the District. Animals normally considered barnyard animals shall not be permitted. Animals shall be contained within a fence or on a leash. Animals shall not be permitted to be a neighborhood nuisance by wandering free or by abnormal noise disturbance. All fencing shall be installed at the Contractor's expense after the District's written approval of the Contractor's design, materials, and method of construction, and approved via the Grant County permitting process (if necessary).
- (p) Not make any alterations, additions, or improvements in or to the premises, including changing or adding door locks, without the prior written approval of the District.
- (q) Once keys are issued at the time of the signing of occupancy it is the responsibility of the Contractor to replace any lost or stolen keys. The District will replace lost keys at a cost of \$10 per key, if requested by the Contractor. If an occupant becomes locked out the premises during normal District business hours, the District will open the premises for the occupant at no charge to the Contractor. After normal business hours (8:00 AM to 4:30 PM) a \$65 charge to open premises shall be charged to the Contractor. Re-coring of the premises at the request of the Contractor (for any reason including personal security) or due to lost or stolen keys will cost the Contractor \$100.00 per occurrence (cost includes cores, keys, and labor). This cost will be assessed against the Contractor.
- (r) Alterations, additions, or improvements shall become the property of the District and the Contractor's duties identified herein shall apply to such alterations, additions, and improvements. Alterations, additions, or improvements paid for by the Contractor may be removed only with written approval of the District.
- (s) Maintain smoke and carbon monoxide detection devices in accordance with the manufacturer's recommendations, including the replacement of batteries when required for the proper operation of the detection device.
- (t) No smoking is allowed within the premises.
- (u) Repair at Contractor's expense any damage to the premises caused by the Contractor's neglect within thirty (30) days of written notice from District requiring such repairs, or within a shorter time if made necessary by emergency.
- (v) Properly store and dispose of all hazardous and/or toxic materials.
- (w) Not use the premises for any purpose deemed hazardous by the District or its insurance companies.
- (x) Not sublet the premises or any part thereof nor assign this agreement in whole or in part without the prior written consent of District.
- (y) With a two (2) business day advance notice, permit the District to show the premises to prospective residents for a period of thirty (30) days prior to expiration of this agreement, and to maintain the premises in a reasonably clean condition during such period.
- (z) Upon termination, clean the premises including all windows inside and out, steam clean all carpets, wash all floorings, wipe down all cupboards and appliances, remove any stains, and conduct such other cleaning as may be necessary to restore the premises to its original state of cleanliness as existed at the beginning of the tenancy. Contractor

shall perform all repairs as may be necessary to restore the premises to its initial condition except for reasonable wear and tear.

- (aa) In the event Contractor shall fail to take proper care of the premises, the District may enter into and do the necessary work, charging the cost thereof to the Contractor.
- (bb) Conform to all reasonable rules and regulations adopted by the District. These rules and regulations may be modified by the District upon thirty (30) days' notice to Contractor.

8. DISTRICT'S DUTIES: Upon request from the Contractor, the District will perform the following maintenance unless such repair is the result of the Contractor's employee and/or by members of Contractor's employee's immediate family (spouse/significant other and children) act or neglect, in which case the District may repair such condition and charge the Contractor for the cost of such repairs. All requests for maintenance will be made to the District Priest Rapids Hatchery Project Manager.
  - (a) Maintain structural components, including roofs, floors, walls, chimneys, fireplaces, and foundations in reasonably good repair.
  - (b) Maintain all electrical, plumbing, heating, and other facilities and appliances furnished by the District in reasonably good working order.
  - (c) Substantially comply with applicable codes, statutes, ordinances, or regulations governing the District's duties described herein which could substantially endanger or impair the health or safety of the occupant.
  - (d) Keep common areas reasonably clean, sanitary, and safe from defects increasing the hazards of fire or accident.
  - (e) Provide a reasonable program for the control of infestation by insects, rodents, and other pests outside of the residence.
  - (f) Provide reasonably adequate locks and furnish keys to the Contractor.
  - (g) Maintain the dwelling unit in reasonably weather tight condition.
  - (h) Provide tools and supplies required for lawn maintenance and snow removal responsibilities required to be performed by the Contractor under this agreement.
9. CONTRACTOR EMPLOYEE-OWNED PROPERTY DAMAGE. The District shall be held harmless for all Contractor or Contractor's employee-owned property utilized on the premises.
10. FIRE AND OTHER CASUALTY. In the event any of the premises shall be destroyed or damaged or injured by fire or other casualty, during the term of this agreement, and the results thereof shall render the premises' untenable, the District shall then have the right to render the damaged premises tenantable by repairs within thirty (30) days therefrom. If the damaged premises are not rendered tenantable within said period, it shall be optional with either party to declare in writing the cancellation of this agreement for the damaged premises only. The agreement shall remain in effect for undamaged premises.
11. MUTUAL RELEASE / WAIVER OF SUBROGATION. Notwithstanding any other provisions of this agreement, in addition to and not by way of limitation of Contractor's obligation to indemnify District as allowed by law, District and Contractor hereby mutually

waive their respective rights of recovery against each other for any loss insured by fire, extended coverage, and other premises insurance policies existing for the benefit of the respective parties.

12. DISTRICT'S LIABILITY. Neither the District nor any of its employees, agents or contractors, shall be liable for any loss or damage to person or property sustained by Contractor, its employees, or other persons which may be caused by the premises, or by any appurtenances being out of repair, or by the bursting or leakage of any water, gas, sewer or steam pipe, electrical supply, electrical equipment or apparatus, or by theft or by any act or neglect of Contractor, its agents or employees, or any other person, except to the extent that such loss or damage is caused by the neglect or intentional acts of the District or its employees or agents acting in their capacity as agents or employees to the District.
13. INDEMNITY:
  - (a) To the fullest extent permitted by law, Contractor shall indemnify District from and against any and all claims, demands, causes of action, suits or judgments (including fees, costs and expenses including attorney fees incurred in connection therewith and in enforcing this indemnity) for deaths or injuries to persons or for loss of or damage to premises arising out of or claimed to arise out of or in connection with the condition, use or occupancy of the premises or any improvements thereon by Contractor or its employees, guests, and invitees. This duty to indemnify shall not apply to claims arising out of the District's breach of this agreement or from acts of the District, its agents and employees acting in their capacity as agents or employees of the District unless otherwise herein provided. This indemnity includes, without limitation, any liability or injury to persons or properties of the District, its agents, officers, employees or invitees.
  - (b) In the event any such claims are made or suits filed, District shall give Contractor prompt written notice thereof and Contractor shall have the right to defend or settle the same to the extent of its interests therein.
  - (c) Contractor, as a material part of the consideration to be rendered to District, waives all claims against District for damages to Contractor's goods or premises in, upon or about the premises and for injury to Contractor, its employees, guests, and invitees or to other persons in or about the premises from any cause arising at any time, excluding breach of the provisions of this agreement, unless otherwise herein provided, and excluding intentional acts of District, its agents and employees acting in their capacity as agents or employees of District.
  - (d) Contractor shall pay and indemnify District as allowed by law against all costs, expenses and charges of every type, including reasonable attorney's fees, incurred in obtaining possession of the premises after default of Contractor in surrendering possession upon expiration or earlier termination of the term of this agreement, as well as any costs, expenses and charges of every type incurred by District in enforcing any of the covenants in this agreement.
14. INGRESS AND EGRESS. During the term of this agreement, the Contractor shall have the right of ingress and egress for itself, its employee(s), and its guests to the premises.

15. TERM OF TENANCY. The term of this tenancy shall be concurrent with the term of this Contract 430-10967 with the District (unless sooner terminated as provided in paragraph 16 herein by the District) and shall terminate in the event of voluntary or involuntary termination of such contract or employment with such Contractor, provided that in the event of involuntary termination of the contract or employee of such Contractor, occupant shall have thirty (30) days from the termination date in which to vacate the premises.
16. TERMINATION. The District may terminate this agreement after giving the Contractor sixty (60) days written notice of such intention to terminate this tenancy and at the end of said sixty (60) day period the Contractor shall surrender and yield possession of the premises. In the event the Contractor desires to terminate this tenancy, the Contractor shall give the District thirty (30) days written notice prior to vacating the premises.
17. NO WAIVER. Failure of District to insist upon the strict performance of the terms, covenants, agreements and conditions herein contained shall not constitute or be construed as a waiver or relinquishment of District's right thereafter to enforce any such term, covenant, agreement or condition, but the same shall continue in full force and effect.
18. CONTINUED OCCUPANCY. If Contractor lawfully continues to occupy the premises beyond the term of the agreement, the terms of the agreement shall continue on a month to month basis.
19. SERVICE OF NOTICES. All notices shall be in writing. All notices to be given to Contractor may be served on Contractor's employee(s) personally, or on any person of majority at the premises or by leaving said notice on the premises, or by sending notice by U.S. Mail, postage prepaid, addressed to the Contractor's employee(s) at the address of the leased premises or such other place as Contractor or Contractor's employee(s) may direct in writing including;

Brian Lyon  
Priest Rapids Complex Manager  
Washington Department of Fish and Wildlife  
PO Box 937  
Mattawa WA, 99349

Washington Department of Fish and Wildlife  
PO Box 43135  
Olympia, WA 98504-3135

All notices to be given to District may be served on District personally, or by sending notice by U.S. Mail, postage prepaid, addressed to District at:

Eric Lauver  
Lead Biologist  
Public Utility District No. 2 of Grant County, WA.  
PO Box 878

30 C Street SW  
Ephrata, WA 98823

Or such other place as District may direct in writing. Notice shall be deemed delivered on the date of delivery if personally delivered or on the date of postmark, if mailed. All notice periods shall begin and end on midnight.

20. NUMBER; GENDER; PERMISSIVE VERSUS MANDATORY USAGE. Where the context permits, references to the singular shall include the plural and vice versa, and to the neuter gender shall include the feminine and masculine. Use of the word “may” denotes an option or privilege and not an obligation upon the party to exercise such option or privilege; use of the word “shall” denotes a duty or an obligation.
21. CAPTIONS AND CONSTRUCTION. The captions in this agreement are for the convenience of the reader and are not to be considered in the interpretation of its terms.
22. ENTIRE AGREEMENT. All understandings and agreements between the parties heretofore made are merged into this agreement, which alone fully and completely expresses their agreement. This agreement is being entered into after full investigation and neither party is relying upon statements or representations not embodied in this agreement made by the other.
23. ATTORNEY FEES / VENUE. In the event any party employs legal counsel to enforce any covenant of this agreement, or to pursue any other remedy on default as provided herein, or by law, the substantially prevailing party shall be entitled to recover reasonable attorneys’ fees, appraisal fees, title search fees, other necessary expert witness fees and all other costs and expenses not limited to court action. Such sum shall be included in any judgment or decree entered. Venue of any action filed to enforce or interpret the provisions of this agreement, including all depositions, shall be exclusively in the Superior Court of Grant County, Washington.
24. NO ADDITIONAL CHARGES. The use of residential housing as provided in this Agreement shall not be a basis for additional charges by Contractor to the District unless the parties agree to those changes in writing.



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

**Move-In/Move-Out Check List**

A move-in/move-out checklist is hereby made a part of the Agreement between Washington State Department of Fish & Wildlife (WDFW), and Public Utility District #2 of Grant County, WA (District), dated July 1, 2021 by and between WDFW and the District for premises located at

1. **516 W. Autumn Loop, Desert Aire, WA 99349**
2. **858 N. Desert Aire Drive, Desert Aire, WA 99349**
3. **306 N. Atterbury Drive, Desert Aire, WA 99349**

Move-In Date: \_\_\_\_\_

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

Move-Out Date: \_\_\_\_\_

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

1. This checklist, which will be provided by the District, is to be completed by the Contractor moving in and moving out of the residence. The Contractor is required to be present during inspections. The Contractor agrees that there are no further defects except as noted herein and that in fact the Contractor has accepted the premises, its furnishings, and appliances in good and satisfactory condition except as noted herein.
2. Upon vacating the premises, the Contractor shall have the premises in the same or better condition as when accepted by the Contractor, reasonable wear expected.

# **For Commission Review – 06/08/2021**

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 TG Downs, LLC, to acquire 88.06 acres of property in Quincy, Washington to allow for the Quincy Transmission Expansion Program (QTEP), in the amount of \$5,723,900.00.

xxxx

**MEMORANDUM**

May 18, 2021

**TO:** Kevin Nordt, General Manager and Chief Executive Officer

**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, License Compliance and Lands Services Manager *Shannon Lowry*  
Sheryl Dotson, Lands Services Supervisor *Sheryl Dotson*  
Travis Wiser, Project Manager *TW*

**FROM:** Blair Fuglie, Senior Lands Specialist *BAF*

**SUBJECT:** Land acquisition to support the Quincy Transmission Expansion Program

**Purpose:** To recommend a Motion authorizing the Manager to sign a Purchase and Sale Agreement with TG Downs, L.L.C. to acquire 88.06 acres of land in the Quincy area.

**Discussion:** Grant PUD identified a need to acquire an 88.06-acre parcel of land (Assessor's Tax #04-0414-050) in Farm Unit 338, Irrigation Block 73, in Section 3 and 4, Township 20 North, Range 24 East, Willamette Meridian, Grant County, Washington. The subject property will be used for construction of the Monument Hill Switchyard which is one component of the Quincy Transmission Expansion Program (QTEP). The construction of the Monument Hill Switchyard will consist of building a breaker and a half substation. The parcel was appraised by Pacific Appraisals, LLC and given a fair-market value of \$5,750,000. On March 25, 2021 TG Downs signed the Purchase and Sale Agreement, which listed the negotiated sale price of \$5,723,900.

The City of Quincy Development Code (Code) requires public improvements be completed or bonded prior to final platting. However, Grant PUD's construction of an electrical substation and other associated public utility improvements on this parcel will not trigger the requirements for completing or bonding of public improvements. If Grant PUD were to sell or surplus any excess land or further develop the property for purposes other than an electrical substation or associated public utility improvements, the public improvements required by the Code will have to be completed or bonded.

**Justification:** The electrical load in the Quincy area has been growing rapidly for the past several years and is expected to continue for the next decade. The load forecast developed by Grant PUD Power Delivery System Planning staff shows that the Quincy area load is expected to triple over the next 7 years. To meet this load growth, maintain system reliability, and comply with system planning standards, the QTEP had been identified as the District's long-range plan for increasing transmission capacity in the Quincy area. Critical to the completion of the QTEP is the construction of Monument Hill Switchyard.

**Financial Considerations:** This transaction enables Grant PUD to acquire land necessary to build a breaker and a half substation (i.e., Monument Hill) which is an integral part of the QTEP. The estimated cost to build the substation (inclusive of the land acquisition) is \$30,000,000.

**Recommendation:** Approve a motion authorizing the Manager to sign the attached Purchase and Sale Agreement with TG Downs, L.L.C. to support construction of the Monument Hill Switchyard.

**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 May 17, 2021 indicating concurrence is attached.

Attachments: Purchase and Sale Agreement  
May 17, 2021 Legal Concurrence email  
Survey

# RECORD OF SURVEY FOR PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY

## EQUIPMENT & PROCEDURES

EQUIPMENT: A COMBINATION OF STATIC GPS, REAL TIME KINEMATIC GPS AND ROBOTIC TOTAL STATION  
PROCEDURES: INITIAL CONTROL ESTABLISHED BY RAPID-STATIC GPS OBSERVATIONS, WITH A PRECISION OF 10MM. CONVENTIONAL TRAVERSES WERE PERFORMED BETWEEN THIS CONTROL, TO OBTAIN ADDITIONAL SITE SPECIFIC DATA AND FOR CORNER MONUMENTATION. POSITIONAL ERROR ADJUSTMENTS WERE MADE USING LEAST SQUARES ANALYSIS. PROCEDURES MEET OR EXCEED W.A.C. 352-155-090.  
DATES OF SURVEY: INITIAL CONTROL PERFORMED AT CONTROL MONUMENTS VISITED: JULY 2020  
CORNERS SET: AUGUST 2020

## BASIS OF BEARINGS:

WASHINGTON STATE PLANE GRID SOUTH ZONE BASED ON STATIC OR RAPID-STATIC GPS MEASUREMENTS. CONVERGENCE FACTOR IS APPROXIMATELY 0.00007".  
THE MEASURED DISTANCES SHOWN ON THIS MAP HAVE BEEN ADJUSTED TO THE WASHINGTON STATE PLANE COORDINATE GRID. MULTIPLY THE MEASURED DISTANCES SHOWN BY A FACTOR OF  $\frac{1.000072}{1}$  TO OBTAIN THE ACTUAL GROUND DISTANCE.

## REFERENCE PLATS/SURVEYS

1. RECORD OF SURVEY RECORDED UNDER A.F.N. 1228149.
2. BRIDGING SITE PLAN RECORDED UNDER A.F.N. 1410595.
3. FARM UNIT MAP FOR IRRIGATION BLOCK 73, SHEET 16.

## BOUNDARY DESCRIPTION REF. A.F.N. 1228149

FARM UNIT 336, IRRIGATION BLOCK 73, EIGHTH REVISION, COLUMBIA BASIN PROJECT, GRANT COUNTY, WASHINGTON ACCORDING TO THE PLAT THEREOF FILED AUGUST 21, 1961.

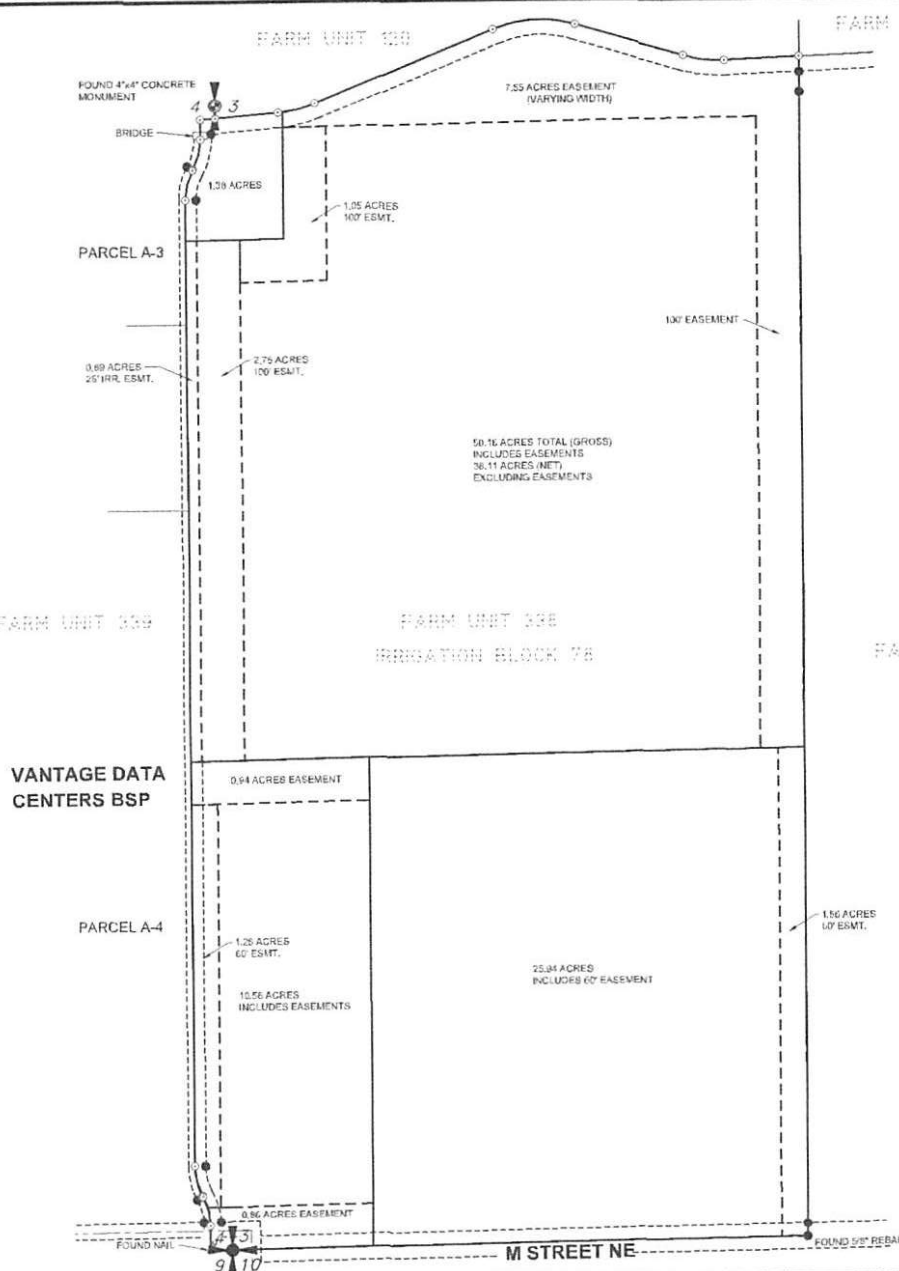
## AUDITOR'S INDEX SKETCH

SECTION 4				SECTION 3			
NW NW	NE NW	NW NE	NE NE	NW NW	NE NW	NW NE	NE NE
SW NW	SE NW	SW NE	SE NE	SW NW	SE NW	SW NE	SE NE
NW SW	NE SW	NW SE	NE SE	NW SW	NE SW	NW SE	NE SE
SW SW	SE SW	SW SE	SE SE	SW SW	SE SW	SW SE	SE SE

TOWNSHIP 20 N. RANGE 24 E. W.M.  
GRANT COUNTY, WA

## LEGEND/ABBREVIATIONS

- FOUND U.S.B.R. MONUMENT OR AS NOTED
- FOUND 5/8" REBAR LB 45003 OR AS NOTED
- CALCULATED POINT
- ( ) U.S.B.R.
- SET 5/8" X 26" REBAR WITH CAP MARKED LB 22664
- T.P.N. TAX PARCEL NUMBER
- A.F.N. AUDITOR'S FILE NUMBER
- R.O.S. RECORD OF SURVEY
- R/W. ROAD RIGHT OF WAY LINE



## NOTE

THE PURPOSE OF THIS SURVEY IS TO MARK THE BOUNDARY OF FARM UNIT 336, IRRIGATION BLOCK 73, EIGHTH REVISION, COLUMBIA BASIN PROJECT.



**AUDITOR'S CERTIFICATE** A.F.#  
FILED FOR RECORD THIS DAY OF 20  
AT IN BOOK OF SURVEYS AT PAGE  
AT THE REQUEST OF WES POTRIDGE  
DEPUTY COUNTY AUDITOR

## SURVEYOR'S CERTIFICATE

THIS MAP CORRECTLY REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE SURVEY RECORDING ACT AT THE REQUEST OF SCIPD  
IN JULY, 2020.

WESLEY A. POTRIDGE  
CERTIFICATE NO. 22864



## RECORD OF SURVEY

A PORTION OF  
FARM UNIT 336  
IRRIGATION BLOCK 73

GRANT COUNTY, WASHINGTON

**Erlandsen**  
SURVEYING | PLANNING | ENGINEERING | GIS

DRAWN BY: wip  
DATE: 1/05/2021  
SCALE: 1"=200'  
LAYOUT: ROS  
FILE NO: 26200207.0001 ROS.dwg  
JOB NO: 26200207.0001

SHEET 1 OF 1

http://www.erlandsen.com  
ERLANDSEN  
260 GRAND ST. SE  
EAST WENATCHEE, WA 98802  
PH: 509.894.2562  
TOLL FREE: (800) 732-7442

## REAL ESTATE PURCHASE AND SALE AGREEMENT

This Real Estate Purchase and Sale Agreement (the "Agreement") is dated \_\_\_\_\_, 2021, and is entered into by and between TG Downs, L.L.C., a Washington Limited Liability Company ("Seller) and PUBLIC UTILITY DISTRICT NO.2 OF GRANT COUNTY, Washington, a municipal corporation ("Buyer").

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

1. The Property. The property to be purchased by Buyer (the "Property") shall consist of (i) that certain portion of parcel of land (Grant County Parcel Number #04-0414-050, consisting of approximately 88.06 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 \$5,723,900.00 (five million, seven hundred twenty three thousand, nine 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, assessments, (other than current use assessments), rents, water, and other utilities shall be prorated as of Closing. Seller and Buyer shall divide equally the current use assessment at closing).

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

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

7. Conditions Precedent to Buyer's Obligation.

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

(i) Title Condition. Buyer's review and approval of the Preliminary Title Report, together with all exceptions listed therein.

(ii) Documents. Buyer's review and approval of all items required to be delivered to Buyer pursuant to Section 5 of this Agreement.

(iii) 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.



(v) Regulatory Approval. Receipt of approval from all applicable regulatory authorities, including but not limited to Buyer's purchase of the Property and of any related opening, closing or relocating of Buyer's facilities.

(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 ninety (90) 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.

(c) Buyer's obligation to take title to the Property and pay the Purchase Price at Closing is subject to and contingent upon receipt, on or before the Outside Date for Closing, of all necessary governmental, non-governmental, and utility company approvals and permits for Buyer's proposed use and development of the Property, including any necessary building permits, land use and zoning approvals, vehicular and pedestrian access approvals, signage, design reviews, and approval of utility connections, all of which shall be final and non-appealable (or the applicable appeals periods shall have run). Unless otherwise stated by Buyer in writing, failure to timely approve or disapprove the matters set forth in this Section 7(c) or before the Outside Date for Closing shall constitute disapproval. Seller shall reasonably cooperate with Buyer to enable Buyer to obtain all such permits and approvals for development of the Property as Buyer may desire.

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

(a) The Property, the building and other improvements on the Property, and all systems therein, and the use being made thereof at Closing, conform to all fire, zoning, health, 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. Section 1031 Exchange

The Parties acknowledge the Seller desires to accomplish the closing of this transaction as part of a tax deferred exchange under Section 1031 of the Internal Revenue Code. Buyer agrees to

cooperate in effecting such exchange and Seller shall be solely obligated for the cost and expense of the exchange.

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.

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

(c) The property sold hereunder shall be leased back to the Seller at closing. Seller shall have the right to farm the property for the crop year 2021. No rent shall be paid but Seller shall pay the power and water and will maintain the property and remove noxious weeds. Buyer shall have the right to perform due diligence and any testing on the leased premises during the term of the lease. The circle irrigation system, pumps and panels are owned by the Seller and shall be removed by Seller at the end of the lease. Seller will only grow Timothy Hay and all hay will be removed at the end of the lease. The form of Farm Lease Agreement is attached hereto as Exhibit B.

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.

1. 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: TG Downs, L.L.C., a Washington Limited Liability Company  
2490 Adams Road NW  
Quincy, WA 98848

To Buyer: Public Utility District No. 2 of Grant County  
c/o Blair Fuglie, 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: 3-25-21

Signature 

Print Name Tom Dowling

BUYER:

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

Signature \_\_\_\_\_

Print Name \_\_\_\_\_



STATE OF WASHINGTON  
County of Grant

I hereby certify that I know or have satisfactory evidence that \_\_\_\_\_  
and Tom Downs 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: 3/25/2021



Mikki Gimlin  
Notary Public

Residing at Quincy

My appointment expires: 05-01-2022

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

FARM UNIT 338, IRRIGATION BLOCK 73, EIGHTH REVISION, COLUMBIA BASIN  
PROJECT, GRANT COUNTY, WASHINGTON, ACCORDING TO THE PLAT THEREOF  
FILED AUGUST 21, 1961.

# June 2021

June 2021							July 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
6	7	1	2	3	4	5	4	5	6	7	1	2	3
13	14	8	9	10	11	12	11	12	13	14	8	9	10
20	21	15	16	17	18	19	18	19	20	21	22	23	24
27	28	22	23	24	25	26	25	26	27	28	29	30	31

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

# July 2021

July 2021							August 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
4	5	6	7	8	9	10	1	2	3	4	5	6	7
11	12	13	14	15	16	17	8	9	10	11	12	13	14
18	19	20	21	22	23	24	15	16	17	18	19	20	21
25	26	27	28	29	30	31	22	23	24	25	26	27	28
							29	30	31				

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 27	28	29	30	Jul 1	2	3
4	5 8:00am HOLIDAY - Commission Meetings	6 12:00pm 1:1 GM/Commissioners Lunch with Kevin/Nelson (Microsoft Teams	7	8	9	10
11	12	13 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	14	15 8:30am HOLD - Commission Strategic Planning Meeting (HQ-Conf E; / Teams Meeting) - Randalynn	16	17
18	19	20	21	22	23	24
25	26	27 9:30am Commission Meeting (Microsoft 12:00pm Grant PUD / Grant County 12:00pm Lunch with	28	29	30	31

# August 2021

August 2021							September 2021						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7				1	2	3	4
8	9	10	11	12	13	14	5	6	7	8	9	10	11
15	16	17	18	19	20	21	12	13	14	15	16	17	18
22	23	24	25	26	27	28	19	20	21	22	23	24	25
29	30	31					26	27	28	29	30		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Aug 1	2	3	4	5	6	7
8	9	10 9:30am Commission Meeting (Microsoft Teams) - Melissa Leonard	11	12	13	14
15	16	17	18	19 1:00pm Financial Advisory Committee (FAC) (Judy and Dale) (Microsoft Teams Meeting/HQ-Conf E ;	20	21
22	23	24 9:30am Commission Meeting (Microsoft Teams ) - Melissa 12:00pm Lunch with County	25	26	27	28
29	30	31	Sep 1	2	3	4