

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

September 14, 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 (intermittent attendance); and Tom Flint, Commissioner. District No. 2 position will remain vacant until an appointment is made as per RCW 42.12.070 guidelines.

The Commission convened to review vouchers and correspondence.

A round table discussion was held regarding the following topics: Hanford Reach update; system update; COVID response and Incident Criticality Level (ICL) update; recently issued directives by President Biden which may affect Grant PUD COVID response policies; Employee Appreciation Day scheduled for September 16; inquiry related to response and board decision in regard to USBR and Irrigation Districts regarding July 2020 wheeling rate proposal; multiple invoice inquiries from Commissioner Wilson; notice from Commissioner Flint regarding CT can weatherization and need for system repair; appreciation noted for follow-up materials in response to previous Commission requests; inquiry into Nokia Contract RFP process and total number of vendors considered; and request for COVID expense overview.

Ty Ehrman, Managing Director of Power Production, and Chris Steinmetz, Engineer III, presented the Priest Rapids Right Embankment Project Overview.

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

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

The Commission recessed at 11:52 a.m.

The Commission resumed at 1:00 p.m.

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

Payment Number	114229	through	114724	\$18,211,542.65
Payroll Direct Deposit	183033	through	184548	\$4,159,543.28
Payroll Tax and Garnishments	20210826A	through	20210909B	\$1,754,374.03

Special meeting minutes of August 20, 2021.

Meeting minutes of August 24, 2021.

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

Proclamation No. 2021-01 relative to commission meeting attendance for Commissioners during the Covid-19 pandemic was presented to the Commission. Motion was made by Mrs. Wilson and seconded by Mr. Flint to approve Proclamation No. 2021-01. After consideration, the motion passed by unanimous vote of the Commission.

PROCLAMATION NO. 2021-1

A PROCLAMATION REGARDING COMMISSION MEETING ATTENDANCE FOR
COMMISSIONERS DURING THE COVID-19 PANDEMIC

Recitals

1. Grant PUD continues to monitor criticality levels during the Covid-19 pandemic depending on National, State and Local health guidance, and prioritizes following rigorously the CDC health and

safety guidelines that protect and preserve the well-being of employees and the critical and essential infrastructure that we operate;

2. Grant PUD has provided guidance to employees who play a critical role in the Grant PUD's health by way of minimizing personal contact with others in an effort to reduce the risk of employees within Grant PUD of being exposed to the virus; however, there are certain employees who are deemed critical to the continued operations and the risk of exposure to critical employees is an elevated risk to Grant PUD;
3. Grant PUD encourages all employees to maintain safety standards when on their own personal time as to not bring the virus back to Grant PUD or its employees;
4. The Commission meets on a regular basis to conduct the business of Grant PUD and can do so without the need to meet with any staff in person during periods where the criticality levels are elevated;
5. The Commission does not interact with the CEO, CLO or any other employees on a day-to-day basis, which further mitigates the risk of the virus spreading to employees or within Grant PUD facilities or on Grant PUD grounds;
6. The Commission deems it necessary to conduct Commission meetings with Commissioners present in person for adequate facilitation and communication between Commissioners; and
7. The Commission can engage in these meetings while meeting the safety guidelines established by National, State and Local health authorities.

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

BE IT FURTHER RESOLVED, until further notice, the Commission shall meet for Commission meetings off site in a public facility and practice the safety guidelines established by National, State and Local health authorities.

BE IT FURTHER RESOLVED, in person Commission meetings attended by Commissioners only will be conducted pursuant to Grant PUD's exemption attached as Exhibit A.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington this 14th day of September, 2021.

Resolution No. 8971 relative to adopting a revised schedule of non-bargaining unit positions and was presented to the Commission. Motion was made by Mr. Flint and seconded by Mr. Cox to approve Resolution No. 8971. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8971

A RESOLUTION ADOPTING A REVISED SCHEDULE OF NON-BARGAINING UNIT POSITIONS AND SUPERSEDING RESOLUTION NO. 8900

Recitals

1. Resolution No. 8900 adopted November 27, 2018, revised the schedule of non-union positions and adjusted salary grades and ranges of non-bargaining unit employee positions; and
2. Pursuant to RCW 54.16.100 the Grant PUD's Manager recommends the Commission adopt the scale of salaries to be paid for the different classes of service as set forth in the attached Exhibit A.

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

Section 1. The salary plan as set forth in Exhibit A is hereby approved and adopted.

Section 2. The Manager is authorized to make temporary changes in the salary plan of non-bargaining unit employees under his or her direction, until revision of the salary plan by Grant PUD's Commission, to resolve individual situations such as the addition of new job titles.

Section 3. Employees in non-bargaining unit positions shall be eligible to participate in the Grant PUD's performance pay program as set forth in Exhibit B attached hereto and by this reference herein incorporated. The Commission has established an allocated pool through the annual budgeting process for non-bargaining unit salary administration.

Section 4. Non-bargaining unit employee compensation shall include a service pin on the date of the five-year anniversary. Thereafter, each time an additional five (5) years of full-time service is completed the employee will receive recognition in the form of a gift based on their years of service and includes a pin denoting the years of service.

Section 5. Resolution No. 8900 is hereby superseded, and this resolution supersedes any other resolutions which are inconsistent with this resolution.

Section 6. This resolution shall be effective the first day of the next regular utility pay period following its adoption.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington this 14th day of September, 2021.

Resolution No. 8972 relative to participation in the Washington State public works board broadband program was presented to the Commission. Motion was made by Mrs. Wilson and seconded by Mr. Flint to approve Resolution No. 8972. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 8972

RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, AUTHORIZING THE DISTRICT'S PARTICIPATION IN THE WASHINGTON STATE PUBLIC WORKS BOARD BROADBAND PROGRAM, THE EXECUTION OF A BROADBAND CONSTRUCTION FUNDING CONTRACT, AND OTHER MATTERS RELATED THERETO

WHEREAS, Public Utility District No. 2 of Grant County, Washington (the "District"), owns and operates an electric utility system (the "Electric System") for the transmission and distribution of electric energy.

WHEREAS, the District has determined that it is necessary to equip and make certain improvements to the Electric System, including the construction of broadband infrastructure (the "Project").

WHEREAS, the District has issued and currently has outstanding certain obligations payable from and secured by a senior lien on revenue of the Electric System (referred to as the "Outstanding Parity Bonds" and the resolutions authorizing such Outstanding Parity Bonds are referred to as the "Outstanding Parity Bond Resolutions") and may issue from time to time bonds or obligations payable on a parity of lien with such Outstanding Parity Bonds (together, the "Parity Bonds").

WHEREAS, the District has issued and currently has outstanding a certain obligation payable from and secured by a junior lien on revenue of the Electric System (referred to as the "Outstanding Junior Lien Bond" and the resolution authorizing such Outstanding Junior Lien Bond is referred to as the "Outstanding Junior Lien Bond Resolution") and may issue from time to time bonds or obligations payable on a parity of lien with such Outstanding Junior Lien Bonds (together, the "Junior Lien Bonds").

WHEREAS, the Outstanding Parity Bond Resolutions and the Outstanding Junior Lien Bond Resolution authorize the District to issue, deliver and/or enter into other obligations payable from and secured by a lien on the revenue of the Electric System that is junior to the lien on such revenues securing the payment of the Outstanding Parity Bonds and the Outstanding Junior Lien Bond.

WHEREAS, pursuant to RCW 54.24.030 the District is authorized to issue revenue bonds or other obligations to pay the costs of District facilities, or any additions or betterments thereto or extensions thereof.

WHEREAS, the Commission of the District (the "Commission") deems it necessary and advisable that the District enter into a Broadband Construction Funding Contract with the Washington State Public Works Board (the "Board") in the form attached hereto (the "Broadband Construction Funding Contract") to facilitate the financing of the Project, as further provided herein.

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

Section 1. Definitions. Terms not otherwise defined herein shall have the meanings set forth in the recitals of this resolution or in the Outstanding Parity Bond Resolutions.

Section 2. Participation in the Broadband Program; Authorized Contractor Representative. The District's participation in the Public Works Board Broadband Program to finance the Project is hereby approved. The District hereby appoints the General Manager, Chief Financial Officer, and Treasurer of the District, and any successor to the functions of such offices, as the authorized representatives of the District for purposes of the Broadband Construction Funding Contract (the "Authorized Contractor Representative"). Each Authorized Contractor Representative is hereby appointed as a representative of the District in connection with the construction of the Project and execution of the Broadband Construction Funding Contract and all other related documents. The signature of one Authorized Contractor Representative shall be sufficient to execute any document in order for it to be considered duly executed on behalf of the District.

Section 3. Authorization of Broadband Construction Funding Contract. The form of the Broadband Construction Funding Contract, attached hereto as Exhibit A, is hereby approved and the Authorized Contractor Representatives are each hereby authorized and directed to execute and deliver the Broadband Construction Funding Contract, in substantially the form attached hereto with such changes as may be approved by the Authorized Contractor Representatives, to facilitate the construction and financing of the Project.

Section 4. Pledge of Net Revenue~~Error! Bookmark not defined.~~ The District hereby irrevocably covenants and agrees that, unless the principal of and interest on of the District's payment obligations on the loan (the "Loan") under the Broadband Construction Funding Contract are paid from other sources, it will deposit in a fund or account created for such purpose available Net Revenue in amounts sufficient to pay such principal and interest as the same shall become due. The Net Revenue is hereby pledged irrevocably to the payment of the Loan, subject only to the prior payment of Electric System obligations as provided in the following paragraph.

The Loan shall be a special limited obligation of the District payable only from the sources identified herein and shall be payable from and secured by Net Revenue on a subordinate lien basis to the payment of all payments related to (a) Parity Bonds, in accordance with the resolutions authorizing such Parity Bonds, including into any reserve account and in connection with any resource obligations not payable as operating expenses, and (b) Junior Lien Bonds, in accordance with the resolutions authorizing such Junior Lien Bonds, including into any reserve account.

The Loan and the District's obligations under the Broadband Construction Funding Contract do not constitute an indebtedness of the District within the meaning of the constitutional or statutory provisions and limitations of the State of Washington. The full faith and credit of the District is not pledged to the repayment of the Loan or any District obligation under the Broadband Construction Funding Contract.

Section 5. Prior Acts. All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified and confirmed.

Section 6. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington this 14th day of September, 2021.

Motion was made by Mr. Cox and seconded by Mrs. Wilson authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 11 to Contract 230-08636 with IMCO General Construction, Inc. (IMCO), increasing the not-to-exceed contract amount by \$14,676,409.00 for a new contract total of \$54,260,894.46 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. 11. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

Brett Lenz, Manager of Cultural Resources, provided the Cultural Resources Program Report.

Taffy Courteau, Customer Service Supervisor, reviewed the Customer Collection Plan Post Disconnect Moratorium.

The Commission recessed at 3:00 p.m.

The Commission resumed at 3:05 p.m.

An executive session was announced at 3:05 p.m. to last until 4:00 p.m. to discuss potential litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and to discuss legal risks of current practice or proposed action with legal counsel present pursuant to RCW 42.30.110(1)(i). The executive session concluded at 4:00 p.m. and the regular session resumed.

An additional executive session was announced at 4:00 p.m. to last until 5:00 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 5:00 p.m. and the regular session resumed.

There being no further business to discuss, the Commission adjourned at 5:00 p.m. on September 14, and reconvened on Wednesday, September 22 at 7:30 a.m. at the Fairfield Inn and Suites, 230 South Maiers Road, Moses Lake, Washington for an executive session pursuant to RCW 42.30.110(1)(g) to evaluate the qualifications of applicants for the open Commission District 2 position with the following Commissioners present: Tom Flint, Larry Schaapman, Judy Wilson, and Nelson Cox. A copy of the notice of adjournment was posted to the Grant PUD website.

There being no further business to discuss, the Commission adjourned at 3:35 p.m. on September 22, and reconvened on Thursday, September 23 at 7:30 a.m. at the Fairfield Inn and Suites, 230 South Maiers Road, Moses Lake, Washington for an executive session pursuant to RCW 42.30.110(1)(g) to evaluate the qualifications of applicants for the open Commission District 2 position and to discuss performance of a public employee with legal counsel present pursuant to RCW 42.30.110(1)(g) with the following Commissioners present: Tom Flint, Larry Schaapman, Judy Wilson, and Nelson Cox. A copy of the notice of adjournment was posted to the Grant PUD website

There being no further business to discuss, the September 14, 2021 meeting officially adjourned at 12:00 p.m. on September 23, 2021.

ATTEST:

_____/s/
Nelson Cox, Secretary



_____/s/
Larry Schaapman, President

_____/s/
Judy Wilson, Vice President

VACANT

District No. 2, Commissioner

_____/s/
Tom Flint, Commissioner