Grant County
PUBLIC UTILITY DISTRICT
Excellence in Service and Leadership

2021 Q4 Financial Forecast

March 8, 2022

2021 Q4 Financial Forecast Outline

1) Key Updates
   - Capital Plan
   - Net Wholesale
   - Retail Forecast
   - Interest Income

2) Forecast Results
   - Exhibit A – Summary of Budgetary Items
   - Exhibit B – Consolidated Operational Performance

3) Financial Metrics

4) Financial Scenarios
   - Wholesale Price Volatility
   - Low Load Growth
   - Low Water

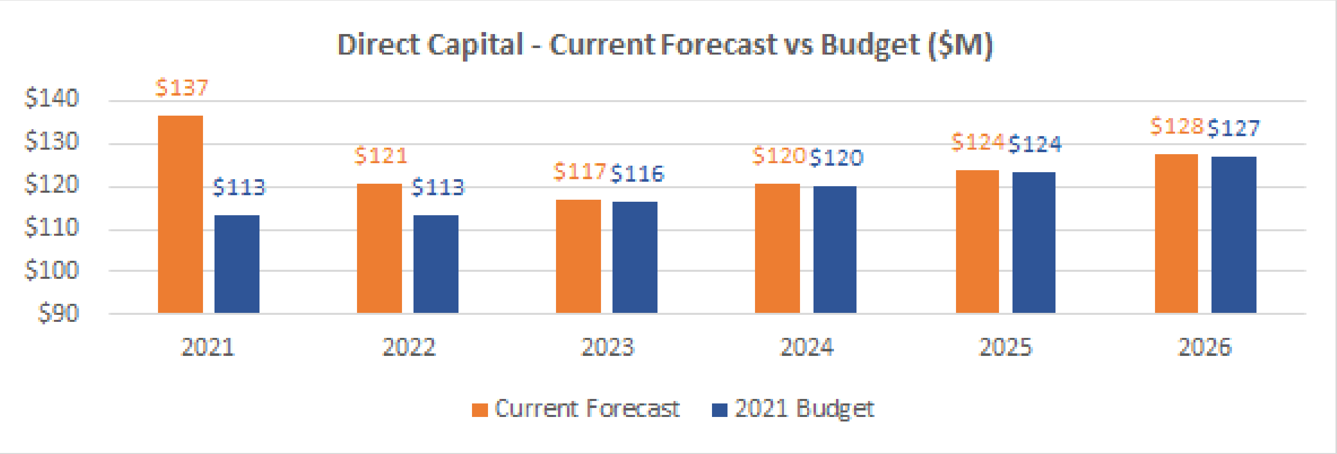
5) Historic vs Fair Market Value

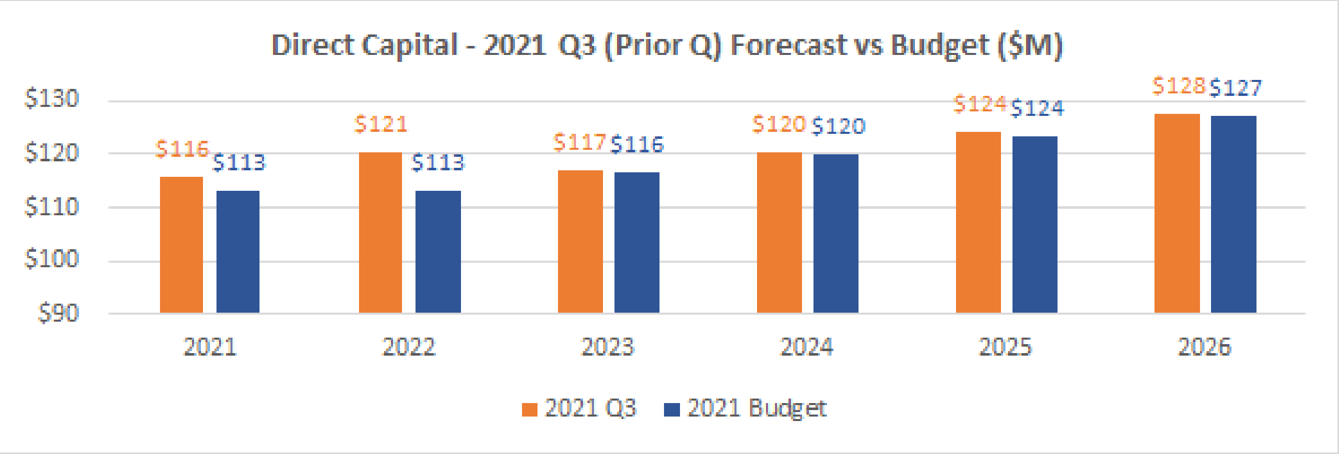
6) Appendix - Inflation Impacts

2021 Q4 Financial Forecast Key Updates

Capital Plan Assumptions

Q4 vs Budget and Q3 vs Budget





Current vs Budget

- 2021: Current 2021 Year End Actuals for Capital Directs is $136.6M, +$23.5M (+21%) unfavorable to 2021 Budget projections of $113.1M.
- 2022-2026: Current Q4 forecast is +$1.9M (+2%) unfavorable to 2021 Budget forecast on an average annual basis.

Q3 vs Q4

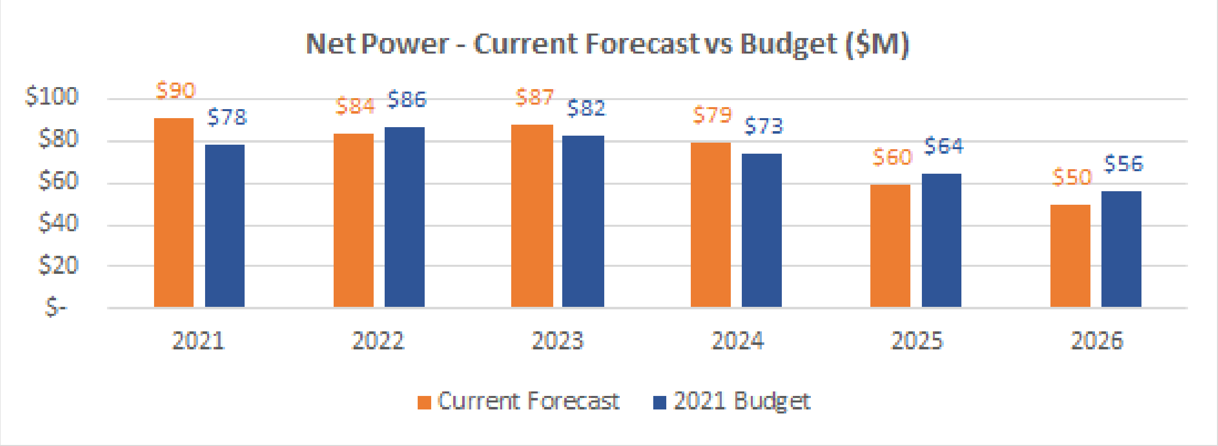
- 2021: Current 2021 Year End Actual for Capital Directs is +$21.1M (+15%) unfavorable to the 2021 Q3 projection.
- 2022-2026: Current Q4 forecast is +$0.0M (+0%) flat to the 2021 Q3 forecast on an average annual basis.

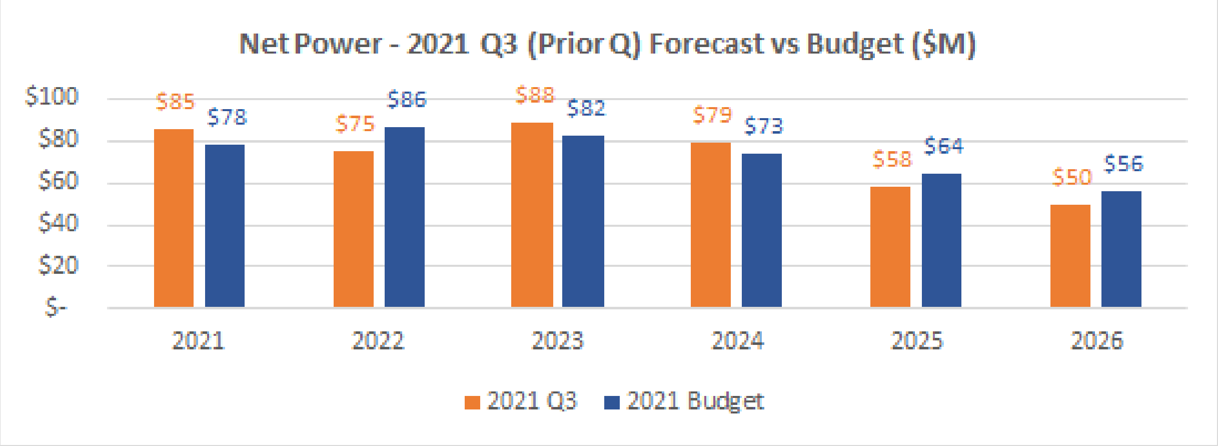
Grant County PUBLIC UTILITY DISTRICT

2021 Q4 Financial Forecast Key Updates

Net Wholesale

Q4 Net Power Results





Current vs Budget

- 2021: Current 2021 Year End Actual for Net Power is $90.4M, +$12.7M (+16%) favorable to the 2021 Budget forecast of $77.8M.

- 2022-2026: Current Q4 forecast is -$0.3M (-1%) unfavorable to the 2021 Budget forecast on an average annual basis.

Q3 vs Q4

- 2021: Current 2021 Year End Actual for Net Power is +$5.1M (+6%) favorable to the 2021 Q3 projection.

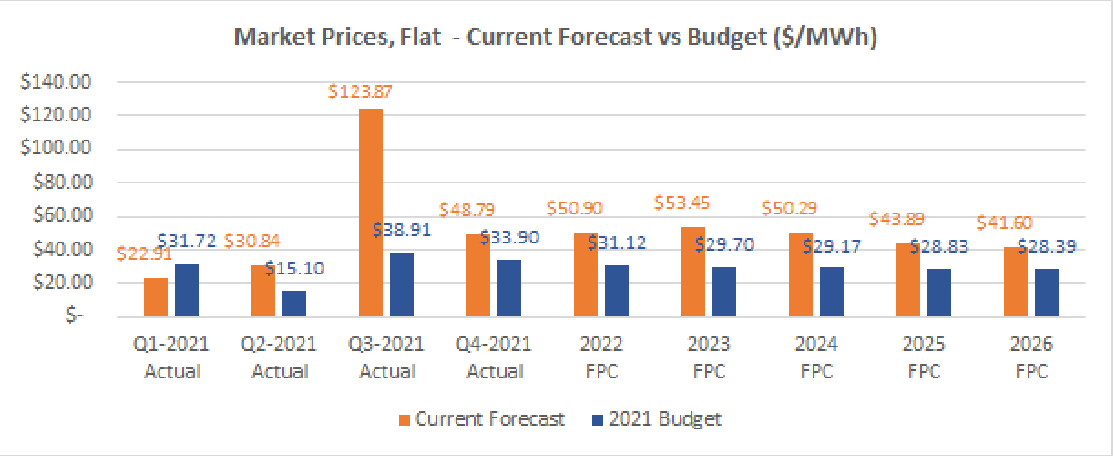
- 2022-2026: Current Q4 forecast is +$1.9M (+2%) favorable to the 2021 Q3 forecast on an average annual basis.

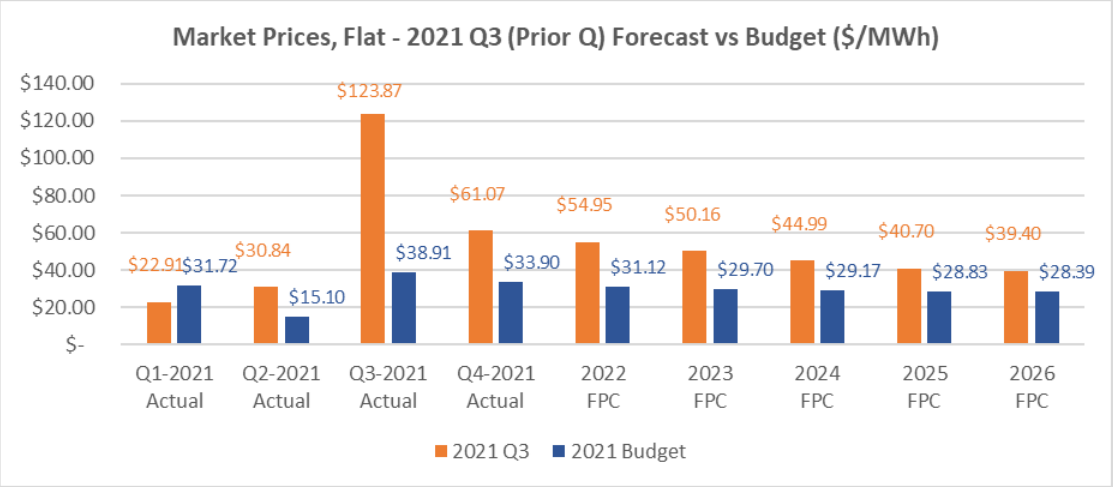
Grant County PUBLIC UTILITY DISTRICT

2021 Q4 Financial Forecast Key Updates

Net Wholesale

Q4 Wholesale Market Prices





Current vs Budget

- 2021: Current 2021 Year End Actual for Wholesale Prices, on a flat annual basis, are $56.6, +$26.69 (+89%) higher than 2021 Budget forecast of $29.91.
- 2022-2026: Current Q4 forecast for Wholesale Prices, on a flat basis, are $48.03, +$18.58 (+63%) higher to 2021 Budget forecast of $29.44.

Q3 vs Q4

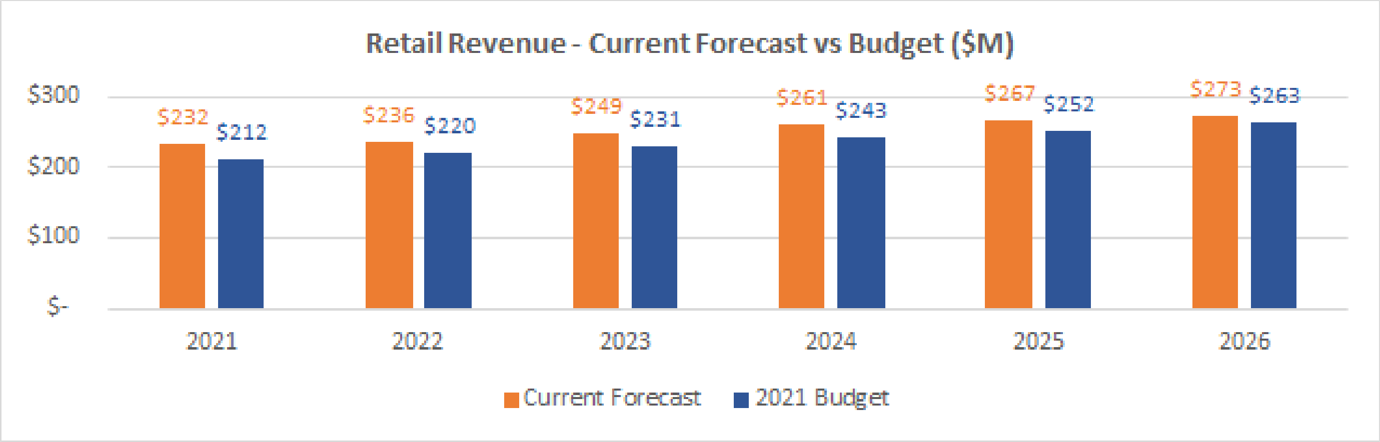
- 2021: Current 2021 Year End Actual for Wholesale Prices are -$3.07 (-10%) lower than the 2021 Q3 projections.
- 2022-2026: Current Q4 forecast for Wholesale Prices, on a flat basis, are +$1.99 (+4%) higher than the 2021 Q3 forecast.

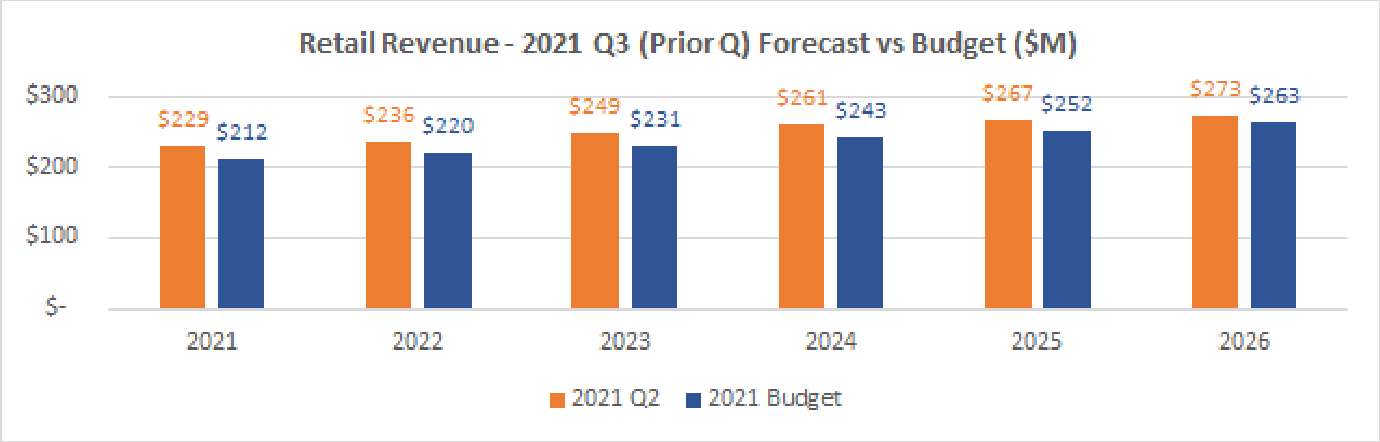
Grant County PUBLIC UTILITY DISTRICT

2021 Q4 Financial Forecast Key Updates

Retail Forecast

Updated for 2021 YTD actual





Current vs Budget

- 2021: Current 2021 Year End Actual for Retail Revenue is $231.7M, +$19.9M (+9%) favorable to the 2021 Budget forecast of $211.8M.
- 2022-2026: Current Q4 forecast is +$15.1M (+6%) favorable to the 2021 Budget forecast on an average annual basis.

Q3 vs Q4

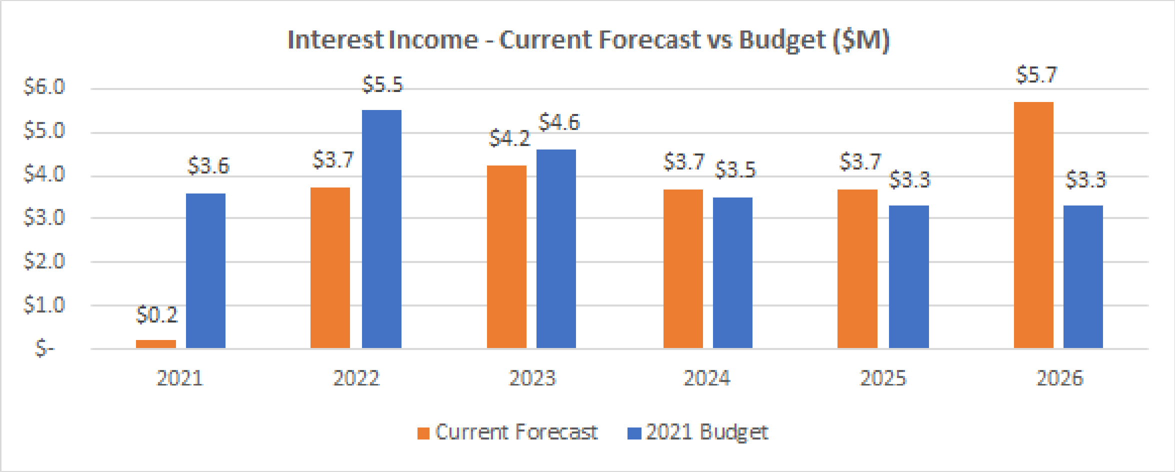
- 2021: Current 2021 Year End Actual for Retail Revenue is +$2.4M (+1%) favorable to the 2021 Q2 projection.
- 2022-2026: Current Q4 forecast is -$0.2M (-0%) flat to the 2021 Q2 forecast on an average annual basis.

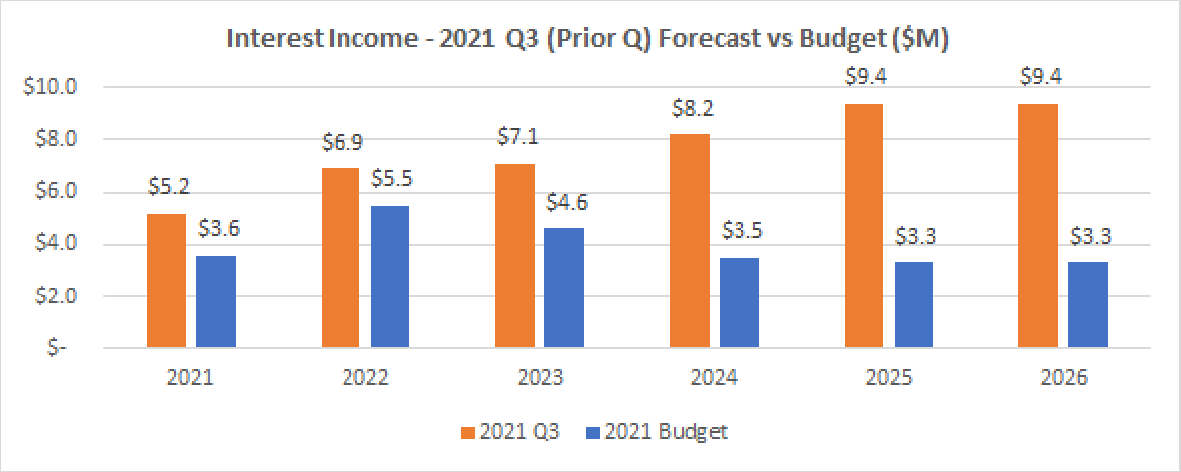
Grant County PUBLIC UTILITY DISTRICT

2021 Q4 Financial Forecast Key Updates

Interest Income

Q4 vs Budget and Q3 vs Budget





Current vs Budget

- 2021: Current 2021 Year End Actual for Interest Income is $0.2M, -$3.4M (-95%) unfavorable to the 2021 Budget forecast of $3.6M.

- 2022-2026: Current Q4 forecast is +$0.2M (+10%) favorable to the 2021 Budget forecast on an average annual basis.

Q3 vs Q4

- 2021: Current 2021 Year End Actual for Interest Income is -$5.M (-2548%) unfavorable to the 2021 Q3 projection.

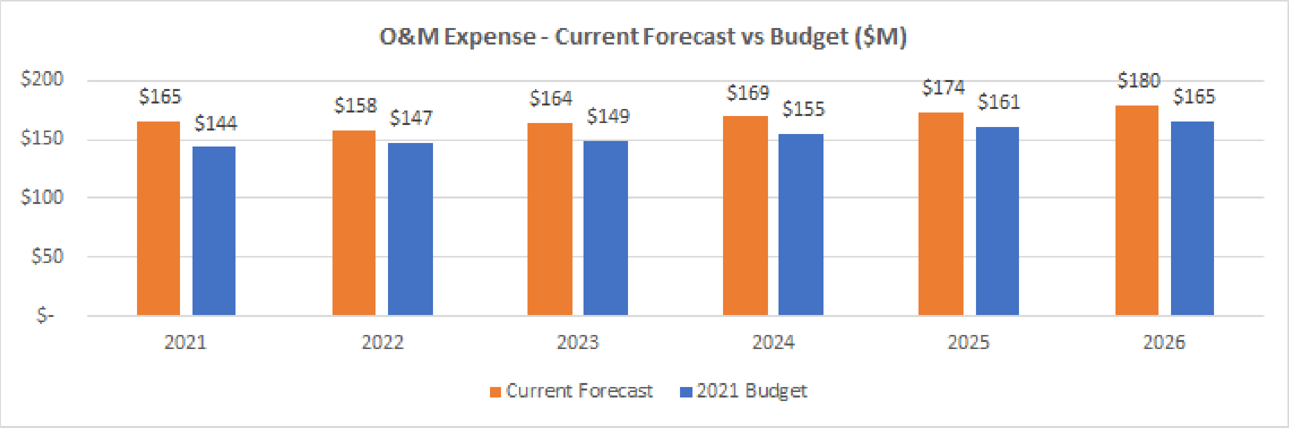
- 2022-2026: Current Q4 forecast is -$4.0M (-99%) unfavorable to the 2021 Q3 forecast on an average annual basis.

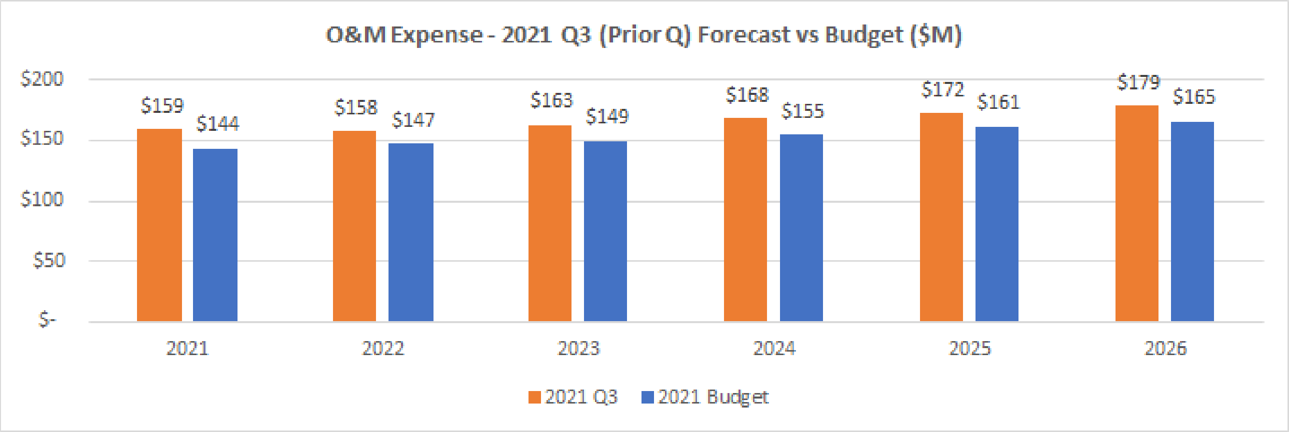
Grant County PUBLIC UTILITY DISTRICT

2021 Q4 Financial Forecast Key Updates

Impact of Labor Split for O&M/Capital changes on O&M Expense

Q4 vs Budget and Q3 vs Budget





O&M/Capital Assumption

- 2021: Updated for 2021 actual vs 2021 Budget:
  - Labor increased by $16.4M
  - O&M increased by $1.4M
  - O&M/Capital Split = 87.5/12.5
- 2022-2026: 2022 = 84/16

Current vs Budget

- 2021: Current 2021 Year End Actual for O&M Expense is $165.5M, +$21.9M (+15%) unfavorable to the 2021 Budget forecast of $143.6M.
- 2022-2026: Current Q4 forecast is +$13.6M (+9%) unfavorable to the 2021 Budget forecast on an average annual basis.

Q3 vs Q4

- 2021: Current 2021 Year End Actual for O&M Expense is +$6.7M (+4%) unfavorable to the 2021 Q3 projection.
- 2022-2026: Current Q4 forecast is +$1.2M (+1%) unfavorable to the 2021 Q3 forecast on an average annual basis.

Grant County PUBLIC UTILITY DISTRICT

2021 Q4 Financial Forecast Exhibit A

Exhibit A - Summary of Budget Items	Budget	Actuals	Forecast				
$'s in thousands	2021	2021	2022	2023	2024	2025	2026
Electric O&M	59,434	69,397	67,887	71,039	73,379	75,736	77,913
PRP O&M	84,119	96,074	90,406	93,128	95,848	97,829	101,910
TOTAL O&M	143,552	165,470	158,293	164,167	169,227	173,566	179,823
TAXES	18,098	20,081	19,817	20,020	20,819	21,211	21,605
ELECTRIC CAPITAL	73,676	90,033	90,096	89,174	89,363	89,794	89,894
PRP CAPITAL	69,657	67,163	55,348	53,604	57,536	61,625	65,930
DEBT SERVICE (net of rebates)	75,574	74,465	75,669	72,467	74,205	76,987	81,497
TOTAL EXPENDITURES	380,556	417,212	399,223	399,433	411,150	423,182	438,749
Expenditure offsets for deduction							
Contributions in Aid of Construction	(6,478)	(14,110)	(9,207)	(9,140)	(8,241)	(8,066)	(8,071)
Sales to Power Purchasers at Cost	(17,777)	(23,584)	(18,767)	(13,994)	(14,307)	(14,462)	(15,107)
Net Power (+ Expense, - Revenue)	(77,757)	(90,411)	(83,834)	(87,415)	(79,130)	(59,581)	(49,943)
Conservation Loans	(125)	13	(125)	(125)	(125)	(125)	(125)
TOTAL EXPENDITURE OFFSETS	(102,137)	(128,092)	(111,933)	(110,673)	(101,803)	(82,234)	(73,246)
TOTAL BUDGETED EXPENDITURES	278,419	289,120	287,289	288,760	309,347	340,948	365,503

Direct O&M increase of $1.4M in addition to shift of labor from Capital to O&M for overall $22M increase

Direct Capital increased from Budget of $113.1M to $136.6M, shift of labor to O&M from Capital reduced total loaded Capital increase to $13.9M

Sales to Power Purchasers increased due to successful auction last fall

Grant County PUBLIC UTILITY DISTRICT

2021 Q4 Financial Forecast Exhibit B

Exhibit B - $'s in thousands	Budget	Actuals	Forecast				
CONSOLIDATED OPERATIONAL PERFORMANCE	**2021**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
Sales to Power Purchasers at Cost	17,777	23,584	18,767	13,994	14,307	14,462	15,107
Retail Energy Sales	211,798	231,740	235,859	248,785	261,042	267,002	272,836
Net Power (Net Wholesale+Other Power Revenue)	77,757	90,411	83,834	87,415	79,130	59,581	49,943
Fiber Optic Network Sales	10,400	12,046	12,100	12,300	12,500	12,700	12,900
Other Revenues	1,453	1,758	2,354	2,354	2,354	2,354	2,354
Operating Expenses	(143,552)	(165,470)	(158,293)	(164,167)	(169,227)	(173,566)	(179,823)
Taxes	(18,098)	(20,081)	(19,817)	(20,020)	(20,819)	(21,211)	(21,605)
Net Operating Income(Loss) Before Depreciation	**157,535**	**173,989**	**174,805**	**180,661**	**179,287**	**161,322**	**151,711**
Depreciation and amortization	(76,092)	(80,591)	(75,450)	(77,623)	(80,100)	(82,945)	(86,849)
Net Operating Income (Loss)	**81,443**	**93,398**	**99,355**	**103,037**	**99,188**	**78,377**	**64,862**
Other Revenues (Expenses)							
Interest, debt and other income	(40,239)	(33,577)	(37,112)	(36,521)	(36,947)	(37,258)	(37,934)
CIAC	6,478	14,110	9,207	9,140	8,241	8,066	8,071
Change in Net Position	**47,682**	**73,931**	**71,450**	**75,656**	**70,482**	**49,185**	**35,000**

- Wholesale Prices up Average 63% for 2021-2026 from Budget, driving the 2021 $12.6M benefit.
- Interest Income (accrual basis) decreased by $3.4M for 2021 from Budget.

Contribution In Aid of Construction (CIAC)

- 2021: Year End Actual for CIAC is $14.1M, +$7.6M (+117%) favorable to the 2021 Budget forecast of $6.5M.

Grant County PUBLIC UTILITY DISTRICT

2021 Q4 Financial Forecast Financial Metrics

	Target	Budget 2021	Actuals 2021	Forecast 2022	2023	2024	2025	2026
NET INCOME		47,682	73,931	71,450	75,656	70,482	49,185	35,000
LIQUIDITY (measured at year end)								
Elect System Liquidity (Rev + R&C)	$105 MM	109,858	111,739	112,798	114,093	115,238	116,385	118,144
Excess Liquidity		102,660	22,578	19,968	8,670	854	1,860	459
Days Cash On Hand	> 250	412	338	323	290	268	266	258
LEVERAGE								
Consolidated DSC	>1.8x	2.10	2.40	2.35	2.39	2.43	2.16	2.00
Consolidated Debt/Plant Ratio	≤ 60%	52%	51%	47%	45%	44%	44%	45%
PROFITABILITY								
Consolidated Return on Net Assets	>4%	2.0%	3.2%	3.0%	3.1%	2.8%	1.9%	1.3%
Retail Operating Ratio	≤ 100%	116%	115%	110%	108%	106%	107%	109%

Liquidity Metrics

- Electric System Liquidity – Targets met all years 2021 through 2026
- Days Cash on Hand – Targets met all years 2021 through 2026

Leverage Metrics

- Debt Service Coverage – Targets met all years 2021 through 2026
- Debt-to-Plant Ratio – Targets met all years 2021 through 2026

Profitability Metrics

- RONA – Targets met in no years 2021 through 2026
- Retail Op Ratio – Targets met in no years 2021 through 2026

Grant County PUBLIC UTILITY DISTRICT

2021 Q4 Financial Forecast vs 2021 Budget

2021 Q4 Financial Forecast - Final

	Target		2021	2022	2023	2024	2025	2026
NET INCOME			**73,931**	**71,450**	**75,656**	**70,482**	**49,185**	**35,000**
LIQUIDITY (measured at year end)								
Elect System Liquidity (Rev + R&C)	**$105 MM**		111,739	112,798	114,093	115,238	116,385	118,144
Excess Liquidity			22,578	19,968	8,670	854	1,860	459
Days Cash On Hand	**> 250**		338	323	290	268	266	258
LEVERAGE								
Consolidated DSC	**>1.8x**		2.40	2.35	2.39	2.43	2.16	2.00
Consolidated Debt/Plant Ratio	**≤ 60%**		51.00%	46.61%	44.88%	43.79%	43.92%	44.60%
PROFITABILITY								
Rate of Return (chg. in net assets / net plant)	**>4%**		**3.20%**	**3.02%**	**3.11%**	**2.82%**	**1.92%**	**1.33%**
Retail Op Ratio (assumes baseline capital)	**≤ 100%**		**115.00%**	**110.06%**	**108.21%**	**106.39%**	**107.10%**	**108.80%**

2021 Budget FINAL

	Target		2021	2022	2023	2024	2025	2026
NET INCOME			**47,682**	**65,032**	**68,850**	**60,369**	**46,182**	**32,705**
LIQUIDITY (measured at year end)								
Elect System Liquidity (Rev + R&C)	**$105 MM**		109,858	111,181	112,363	113,317	114,233	112,412
Finance Plan Reserve			102,660	67,610	47,894	61,274	62,094	62,614
Days Cash On Hand	**> 250**		412	443	404	419	406	394
LEVERAGE								
Consolidated DSC	**>1.8x**		2.10	2.25	2.22	2.22	2.03	1.86
Consolidated Debt/Plant Ratio	**≤ 60%**		52.03%	50.34%	49.02%	49.78%	50.20%	50.74%
PROFITABILITY								
Rate of Return (chg. in net assets / net plant)	**>4%**		**2.04%**	**2.70%**	**2.78%**	**2.37%**	**1.76%**	**1.21%**
Retail Op Ratio (assumes baseline capital)	**≤ 100%**		**115.91%**	**117.29%**	**112.78%**	**111.54%**	**112.38%**	**110.06%**

Grant County
PUBLIC UTILITY
DISTRICT

2021 Q4 Financial Forecast vs 2021 Budget

Difference	Target	2021	2022	2023	2024	2025	2026
NET INCOME		26,249	6,419	6,805	10,113	3,004	2,295
LIQUIDITY (measured at year end)							
Elect System Liquidity (Rev + R&C)	**$105 MM**	1,882	1,617	1,731	1,921	2,152	5,732
Excess Liquidity		(80,081)	(47,641)	(39,224)	(60,419)	(60,234)	(62,155)
Days Cash On Hand	**> 250**	(74)	(120)	(114)	(151)	(141)	(136)
LEVERAGE							
Consolidated DSC	**>1.8x**	0.30	0.10	0.17	0.21	0.13	0.14
Consolidated Debt/Plant Ratio	**≤ 60%**	-1.03%	-3.73%	-4.14%	-5.99%	-6.27%	-6.14%
PROFITABILITY							
Rate of Return (chg in net assets / net plant)	**>4%**	1.16%	0.32%	0.33%	0.45%	0.16%	0.12%
Retail Op Ratio (assumes baseline capital)	**≤ 100%**	-0.91%	-7.23%	-4.57%	-5.15%	-5.28%	-1.27%

Net Income

- 2021: Year End Actual for Net Income is +$26.4M (+55%) favorable to the 2021 Budget forecast of $47.7M
  - Favorable: Retail Sales (+19.9M), CIAC (+7.6M), Net Power (+12.6M), Sales to Purchasers (+$5.8M)
  - Unfavorable: Opex (+$21.9M)
  - All metrics favorable to the 2021 budget, except Days Cash on Hand as higher Junior Lien Bond use than budgeted.

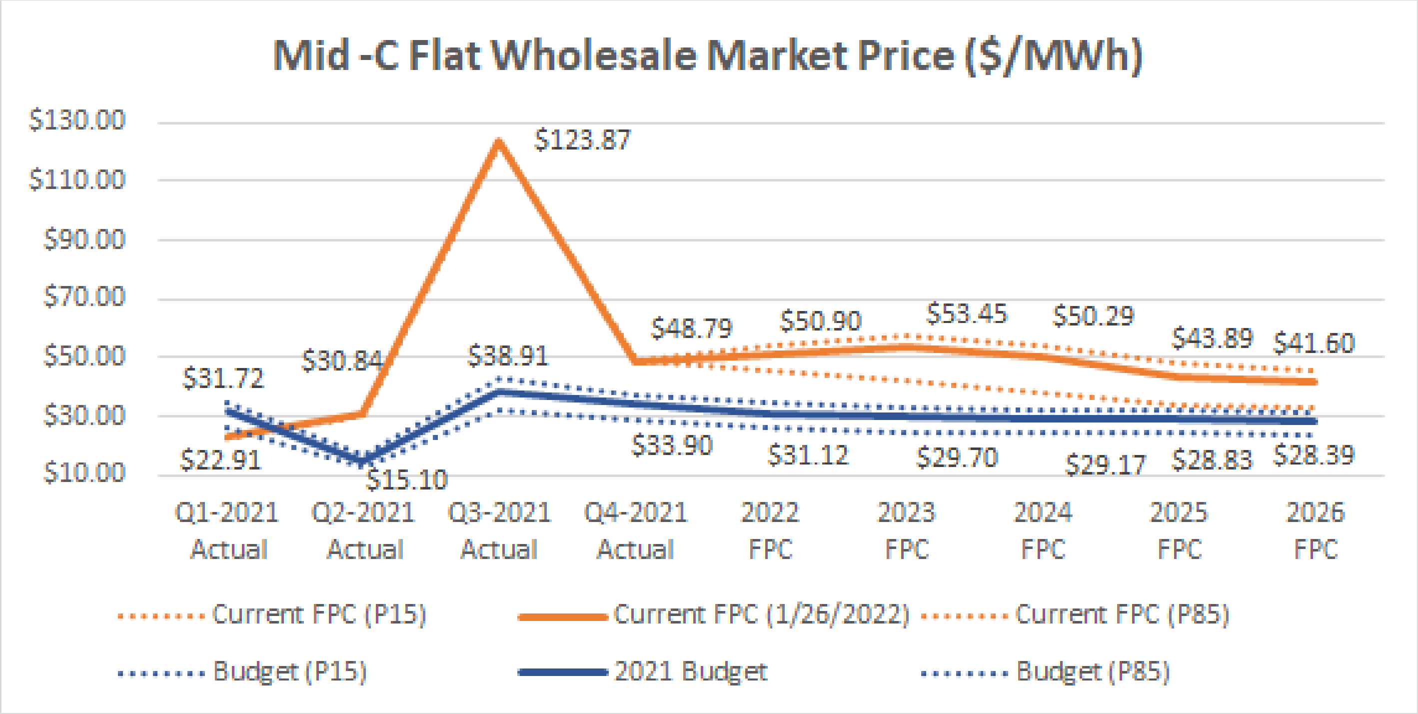
- 2022-2026: Current Q4 forecast is +$5.7M (+10%) favorable to the 2021 Budget forecast on an average annual basis.
  - Favorable: Retail Sales (+15.1M), Interest/Debt/Other Income (-5.4M)
  - Unfavorable: Opex (+13.6M)
  - All metrics favorable to the 2021 budget, except Days Cash on Hand as more cash used for Junior Lien Bonds.

Grant County PUBLIC UTILITY DISTRICT

2021 Q4 Financial Forecast Scenarios

Wholesale Price Volatility Scenario

- 2 Sensitivities for 2022-2026
  - Low Wholesale Prices, with prices estimated at the P15 case
  - High Wholesale Prices, with prices estimated at the P85 case



Forward Price Curve (FPC) Comparison

- 2021 Q4 Actual Prices were above the Budget FPC
  - +$14.89 or +44%

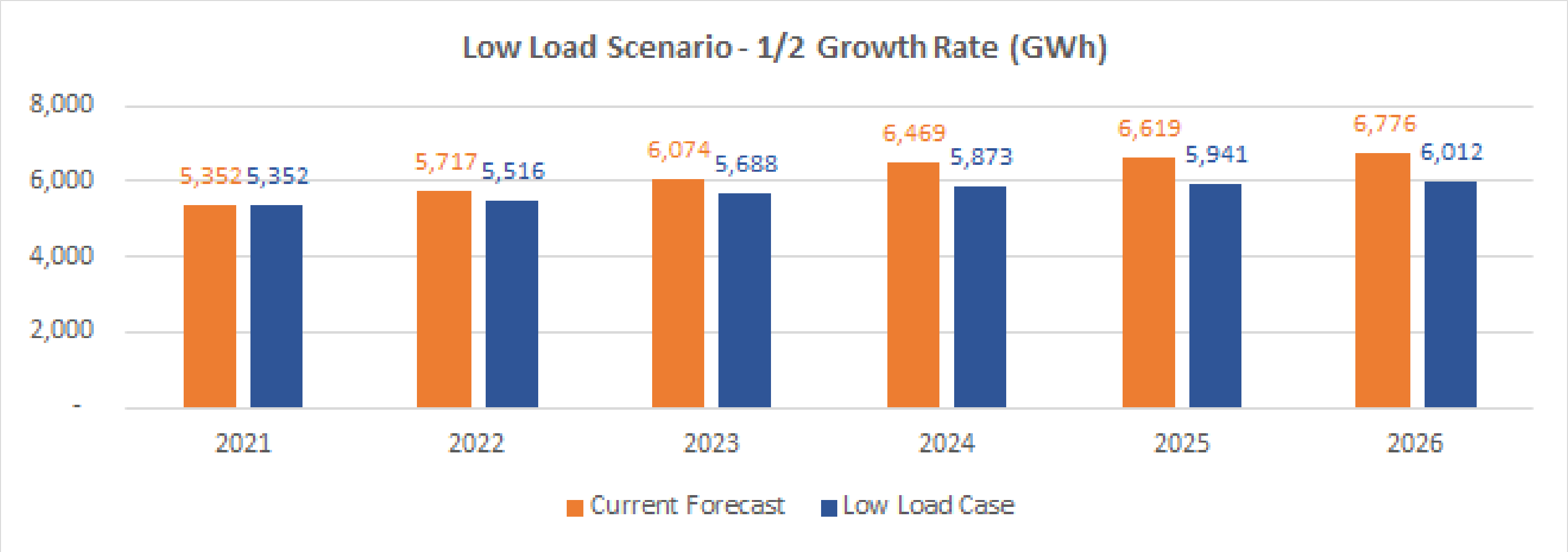
- 2022 through 2026 also shows increased pricing pressure
  - Avg +$18.58 or +63%

Grant County PUBLIC UTILITY DISTRICT

2021 Q4 Financial Forecast Scenarios

Low Load Growth Impact Scenario

- Load Growth at ½ the Growth Rate assumed in the Base Scenario
  - 2 Sensitivities for 2022-2026
    - Low Load Isolated
    - Low Load + Low Wholesale Price (P15 case)



Low Load Growth Scenario

- 2021 Q4 Base Load Growth Rate = 4.9%
- Low Load Growth Rate = 2.4%
- 2022 adjustment is a decrease of 23 aMW
- 2026 adjustment is a decrease of 87 aMW

Grant County PUBLIC UTILITY DISTRICT

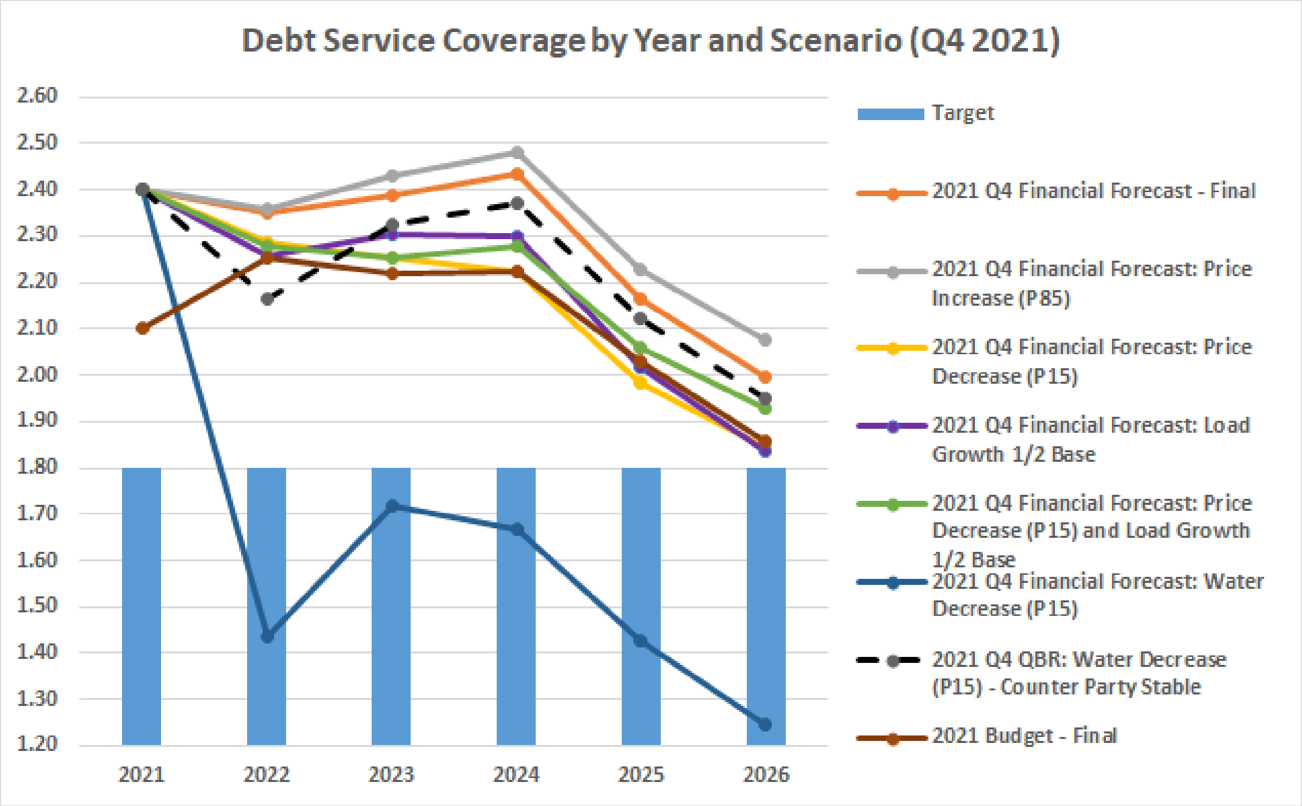
2021 Q4 Financial Forecast Scenarios

Low Water Scenario

- Low Water Scenario assumes P15 water for the period 2022-2026
  - 2 Sensitivities
    - Low Water Isolated
      - Net Power decreased by an Average of ~$60M annually from 2022-2026
    - Low Water + Counter Party Stable
      - Counter Party Stable: 100% Physical Rights Slice Contracts through 2026
      - Net Power decreased by an Average of ~$5M annually from 2022-2026

Grant County PUBLIC UTILITY DISTRICT

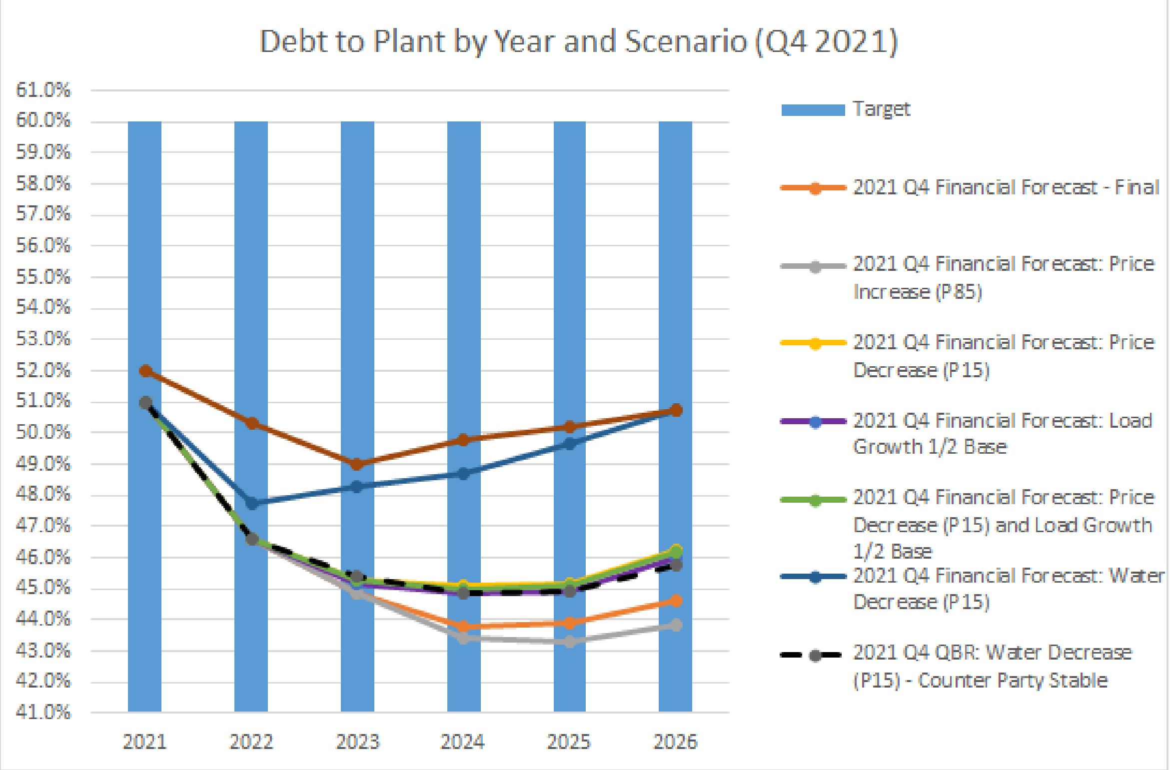
2021 Q4 Financial Forecast Scenarios – DSC



Debt Service Coverage (DSC)	2021	2022	2023	2024	2025	2026
Target	1.80	1.80	1.80	1.80	1.80	1.80
2021 Q4 Financial Forecast - Final	2.40	2.35	2.39	2.43	2.16	2.00
2021 Q4 Financial Forecast: Price Increase (P85)	2.40	2.36	2.43	2.48	2.23	2.08
2021 Q4 Financial Forecast: Price Decrease (P15)	2.40	2.29	2.25	2.22	1.98	1.85
2021 Q4 Financial Forecast: Load Growth 1/2 Base	2.40	2.26	2.30	2.30	2.02	1.84
2021 Q4 Financial Forecast: Price Decrease (P15) and Load Growth 1/2 Ba	2.40	2.28	2.25	2.28	2.06	1.93
2021 Q4 Financial Forecast: Water Decrease (P15)	2.40	1.44	1.72	1.67	1.43	1.24
2021 Q4 QBR: Water Decrease (P15) - Counter Party Stable	2.40	2.17	2.32	2.37	2.12	1.95
2021 Budget - Final	2.10	2.25	2.22	2.22	2.03	1.86

Grant County PUBLIC UTILITY DISTRICT

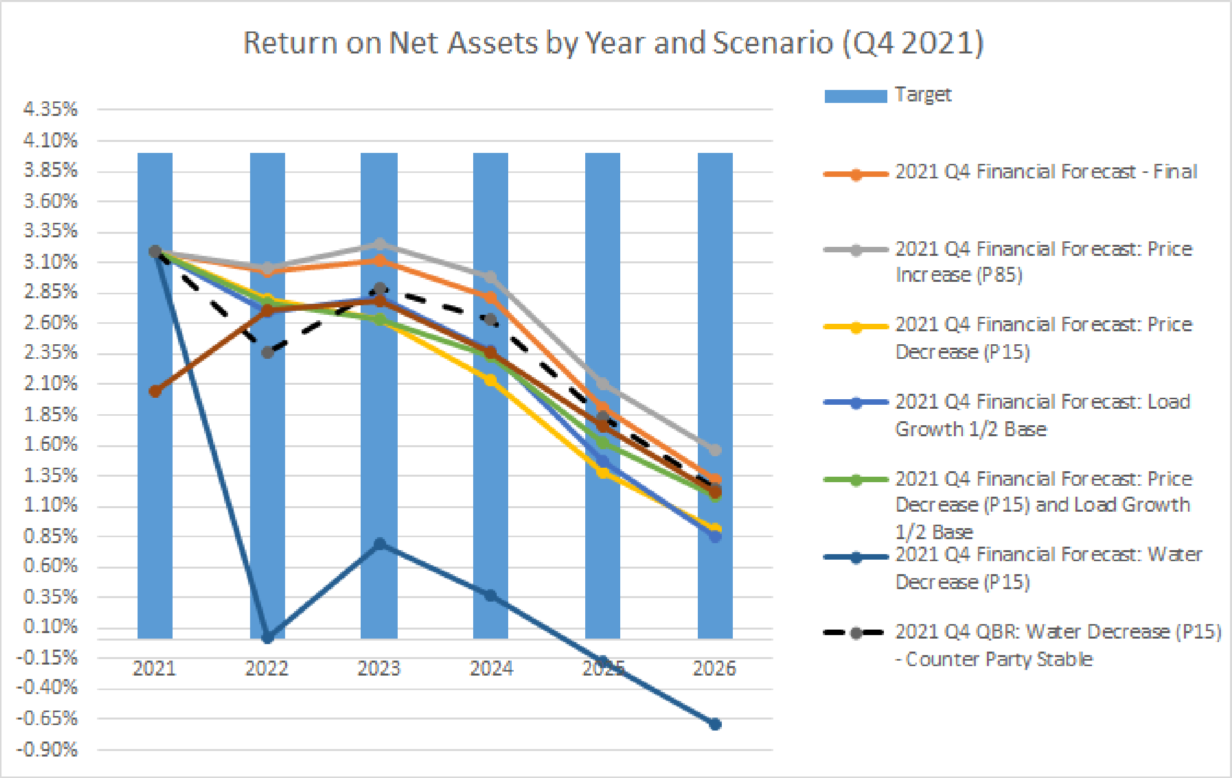
2021 Q4 Financial Forecast Scenarios – DTP



Debt to Net Plant	2021	2022	2023	2024	2025	2026
Target	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
2021 Q4 Financial Forecast - Final	51.0%	46.6%	44.9%	43.8%	43.9%	44.6%
2021 Q4 Financial Forecast: Price Increase (P85)	51.0%	46.6%	44.9%	43.4%	43.3%	43.8%
2021 Q4 Financial Forecast: Price Decrease (P15)	51.0%	46.6%	45.3%	45.1%	45.2%	46.2%
2021 Q4 Financial Forecast: Load Growth 1/2 Base	51.0%	46.6%	45.2%	44.8%	44.9%	46.0%
2021 Q4 Financial Forecast: Price Decrease (P15) and Load Grow	51.0%	46.6%	45.3%	45.0%	45.1%	46.2%
2021 Q4 Financial Forecast: Water Decrease (P15)	51.0%	47.8%	48.3%	48.7%	49.7%	50.7%
2021 Q4 QBR: Water Decrease (P15) - Counter Party Stable	51.0%	46.6%	45.4%	44.8%	44.9%	45.8%
2021 Budget - Final	52.0%	50.3%	49.0%	49.8%	50.2%	50.7%

Grant County PUBLIC UTILITY DISTRICT

2021 Q4 Financial Forecast Scenarios – RONA



Return on Net Assets (RONA)	2021	2022	2023	2024	2025	2026
Target	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
2021 Q4 Financial Forecast - Final	3.20%	3.02%	3.11%	2.82%	1.92%	1.33%
2021 Q4 Financial Forecast: Price Increase (P85)	3.20%	3.06%	3.26%	2.98%	2.11%	1.56%
2021 Q4 Financial Forecast: Price Decrease (P15)	3.20%	2.80%	2.64%	2.14%	1.37%	0.91%
2021 Q4 Financial Forecast: Load Growth 1/2 Base	3.20%	2.69%	2.81%	2.38%	1.47%	0.86%
2021 Q4 Financial Forecast: Price Decrease (P15) and Load Growt	3.20%	2.78%	2.64%	2.33%	1.63%	1.18%
2021 Q4 Financial Forecast: Water Decrease (P15)	3.20%	0.02%	0.79%	0.36%	-0.17%	-0.69%
2021 Q4 QBR: Water Decrease (P15) - Counter Party Stable	3.20%	2.37%	2.89%	2.64%	1.84%	1.25%
2021 Budget - Final	2.04%	2.70%	2.78%	2.37%	1.76%	1.21%

Grant County PUBLIC UTILITY DISTRICT

Debt to Plant – Historic Cost vs Fair Market Value

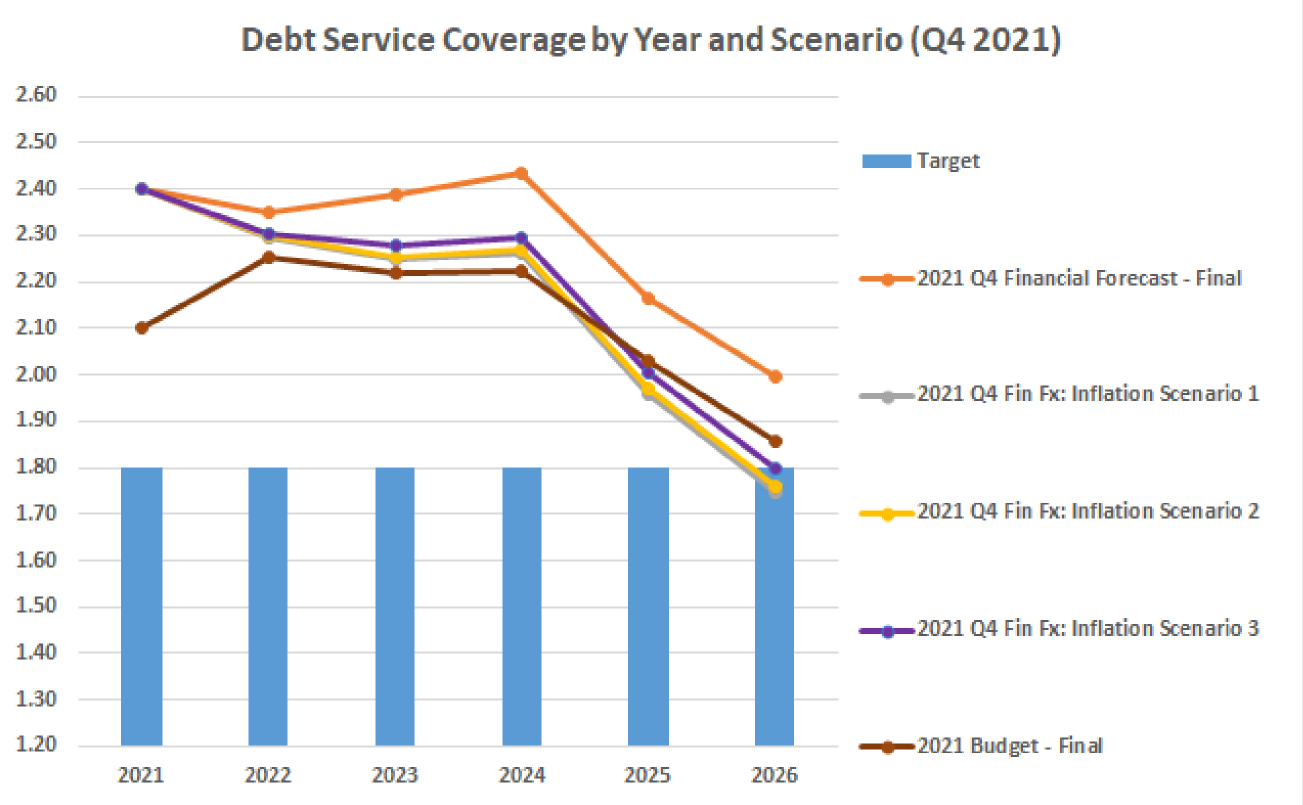
2/18/2022 Debt to Net Plant Illustrative Example - Historic Cost vs Fair Market Value					
GASB - Historic Cost		**Fair Market Value - *Example***			
$'s in Billions					
Assets	**Book Value**	**Assets**	**Book Value**	**FMV Organization Multiplier*** = 2.12**	**Est FMV**
Distribution	$ 0.7	Distribution	$ 0.7		$ 1.2
Production	$ 1.6	Production	$ 1.6		$ 2.7
Net Plant**	**$2.3**	Net Plant**	**$2.3**	Calculated Net Plant Multiplier = 1.7x	**$3.9**
Liabilities		**Liabilities**			
Debt	**$1.2**	Debt	**$1.2**	1.0	**$1.2**
Metric -		**Metric -**			
Debt to Net Plant	**51%**	Debt to Net Plant	**51%**		**30%**
* Per 12/31/2021 Preliminary Financial Statements					
**Net of Accum Dep					
*** Published CSImarket for Electric Utility Industry Fair Market Value Multiplier for entire organization rolling 4 Quarter Average					

Q3 = 31%

- Based on FMV Organization Multiplier of 2.22

Grant County PUBLIC UTILITY DISTRICT

2021 Q4 Fin Fx - Inflation Scenarios – DSC



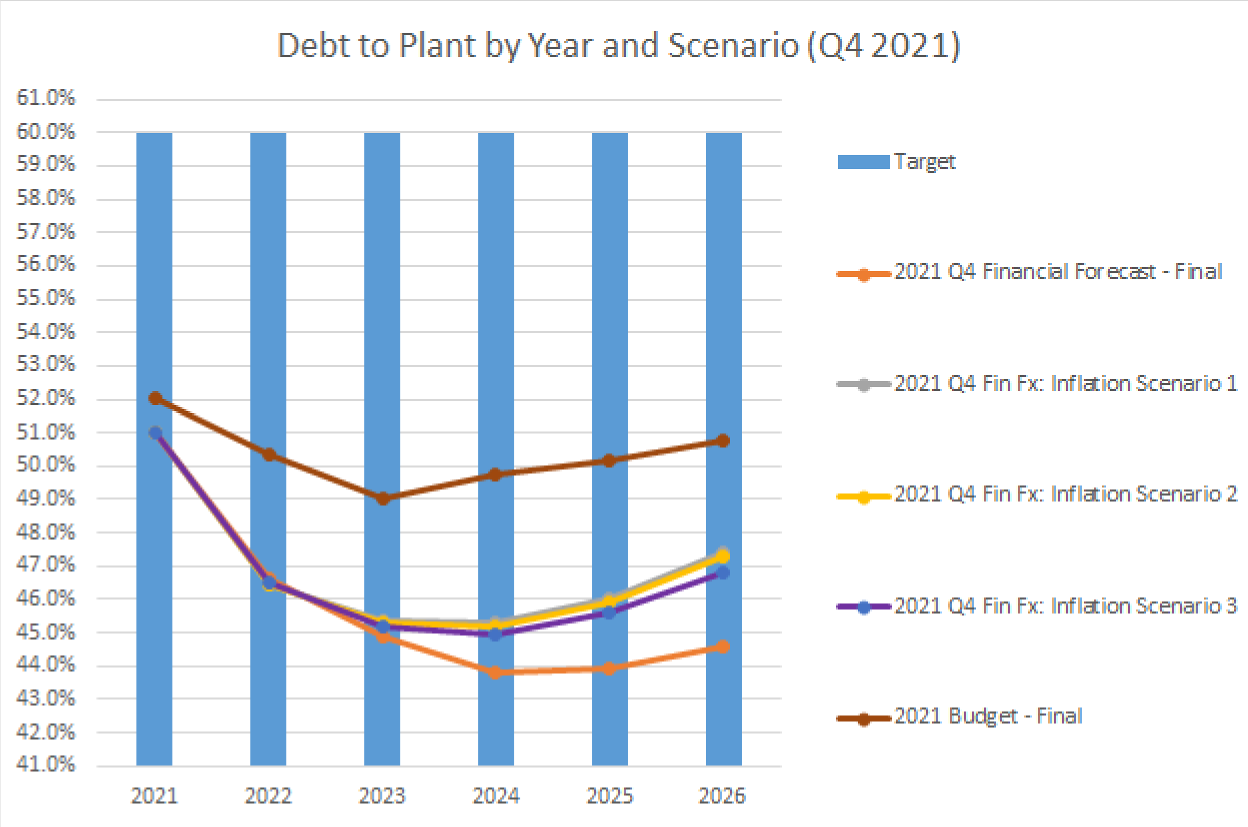
Inflation Scenarios

- **Scenario 1** – 2022 at 11% down to 5% for 8% avg, 2023 at 4%, then 3% thereafter
- **Scenario 2** – 2022 at 11% down to 4% for 7.5% avg, 2023 at 4%, then 3% thereafter
- **Scenario 3** – 2022 at 11% down to 4% for 7% avg, 2023 at 4%, then 3% thereafter

Debt Service Coverage (DSC)	2021	2022	2023	2024	2025	2026
Target	1.80	1.80	1.80	1.80	1.80	1.80
2021 Q4 Financial Forecast - Final	2.40	2.35	2.39	2.43	2.16	2.00
2021 Q4 Fin Fx: Inflation Scenario 1	2.40	2.30	2.25	2.26	1.96	1.75
2021 Q4 Fin Fx: Inflation Scenario 2	2.40	2.30	2.25	2.27	1.97	1.76
2021 Q4 Fin Fx: Inflation Scenario 3	2.40	2.30	2.28	2.30	2.00	1.80
2021 Budget - Final	2.10	2.25	2.22	2.22	2.03	1.86

Grant County PUBLIC UTILITY DISTRICT

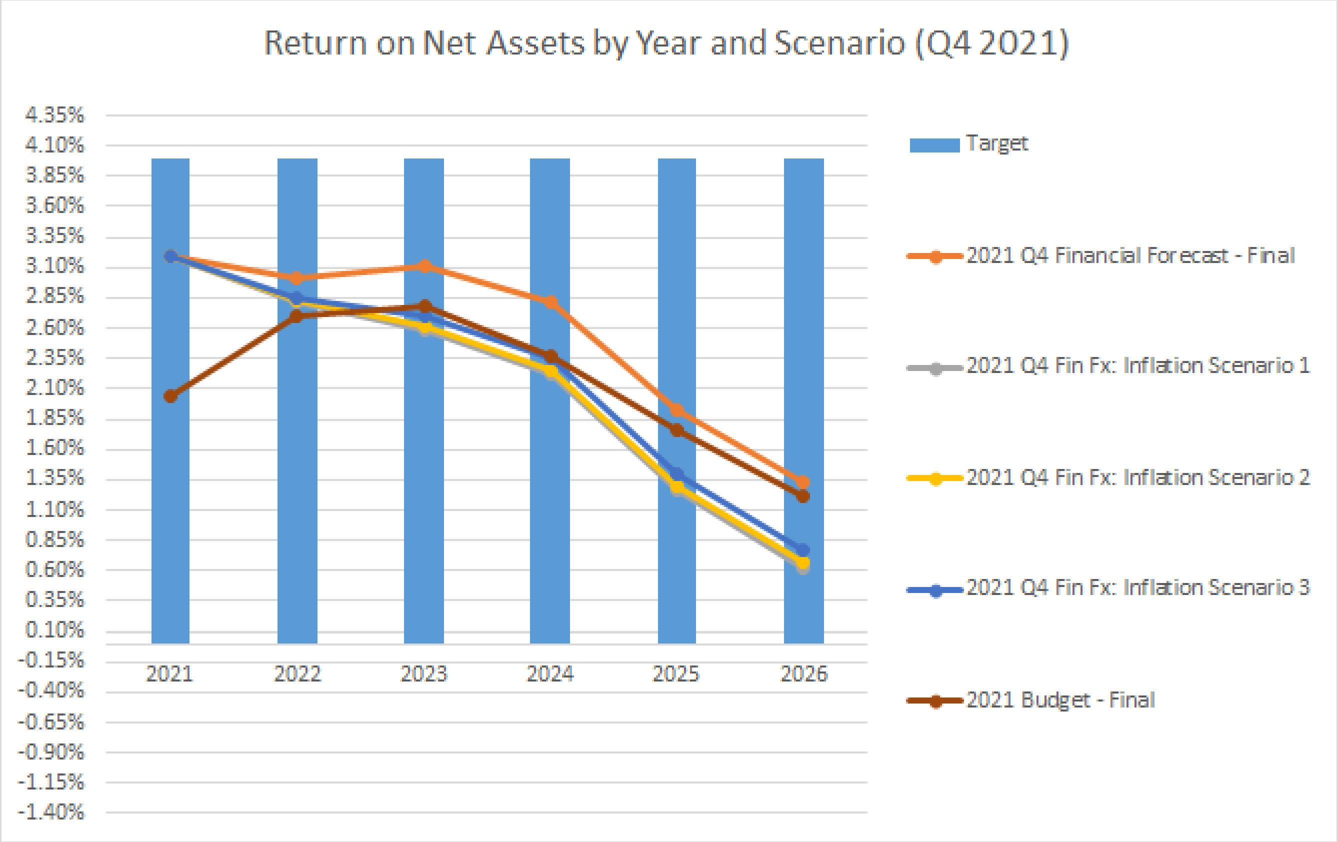
2021 Q4 Fin Fx - Inflation Scenarios – DTP



Debt to Net Plant	2021	2022	2023	2024	2025	2026
Target	60.0%	60.0%	60.0%	60.0%	60.0%	60.0%
2021 Q4 Financial Forecast - Final	51.0%	46.6%	44.9%	43.8%	43.9%	44.6%
2021 Q4 Fin Fx: Inflation Scenario 1	51.0%	46.5%	45.4%	45.3%	46.0%	47.4%
2021 Q4 Fin Fx: Inflation Scenario 2	51.0%	46.5%	45.3%	45.2%	45.9%	47.3%
2021 Q4 Fin Fx: Inflation Scenario 3	51.0%	46.5%	45.2%	45.0%	45.6%	46.8%
2021 Budget - Final	52.0%	50.3%	49.0%	49.8%	50.2%	50.7%

Grant County PUBLIC UTILITY DISTRICT

2021 Q4 Fin Fx Scenarios – RONA



Return on Net Assets (RONA)	2021	2022	2023	2024	2025	2026
Target	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
2021 Q4 Financial Forecast - Final	3.20%	3.02%	3.11%	2.82%	1.92%	1.33%
2021 Q4 Fin Fx: Inflation Scenario 1	3.20%	2.82%	2.59%	2.22%	1.26%	0.63%
2021 Q4 Fin Fx: Inflation Scenario 2	3.20%	2.83%	2.62%	2.25%	1.29%	0.66%
2021 Q4 Fin Fx: Inflation Scenario 3	3.20%	2.84%	2.70%	2.35%	1.39%	0.77%
2021 Budget - Final	2.04%	2.70%	2.78%	2.37%	1.76%	1.21%

Grant County PUBLIC UTILITY DISTRICT

Treasury Quarterly Report

February 2022

Grant PUD

Powering our way of life.

Cash & Investments

Key Cash Flow Dates:

- Jan 1st 2022 bi-annual debt service payment: $52.1M (interest and principal)
- July 1st 2022 bi-annual debt service payment: $30.0M (interest only)
- Restricted funds are funds not available for use for operational needs as restricted by bond covenants or other contracts
- CREB sinking funds are held in reserve with annual deposits to meet the required principal payments in 2027, 2032, 2040

Public Utility District No. 2 of Grant County

As Of 12/31/2021

Quarterly Treasurer's Report

Historical Cash and Investments Summary | Liquidity and Restricted

Market Value per Financial Statements

in thousands $000

Cash & Investments	6/30/2019	9/30/2019	12/31/2019	3/31/2020	6/30/2020	9/30/2020	12/31/2020	3/31/2021	6/30/2021	9/30/2021	12/31/2021
Liquidity-ES R&C Fund [1]	$ 127,956.0	$ 129,622.4	$ 129,841.3	$ 106,096.3	$ 104,927.5	$ 106,039.8	$ 106,585.7	$ 106,009.9	$ 106,795.0	$ 106,894.9	$ 106,739.4
Liquidity-ES Revenue Fund [2] [4]	46,539.4	58,689.4	72,734.1	40,693.8	47,061.4	58,362.8	68,321.5	54,421.9	44,043.0	59,156.6	25,095.6
Other DCOH Funds [3]	57,943.7	54,459.9	46,881.0	49,735.0	51,260.6	43,288.7	35,244.8	36,590.7	43,848.0	36,949.7	39,007.9
Liquidity and Other DCOH Funds	***$ 232,439.1***	***$ 242,771.7***	***$ 249,456.4***	***$ 196,525.1***	***$ 203,249.5***	***$ 207,691.4***	***$ 210,152.0***	***$ 197,022.5***	***$ 194,686.0***	***$ 203,001.1***	***$ 170,843.0***
Restricted-Construction Funds [4]	107,080.3	90,957.5	74,368.7	54,421.5	42,973.0	31,495.0	21,935.9	41,693.2	30,701.4	21,355.0	23,931.2
Restricted-DS Reserve Funds	57,565.4	58,210.0	58,320.7	43,759.7	44,717.4	45,154.8	45,347.3	45,291.6	45,258.8	117,647.7	148,122.3
Restricted-DS P&I Funds	54,665.1	57,650.1	89,073.4	30,962.7	53,602.5	54,768.5	82,615.6	38,896.0	63,758.6	36,077.3	35,885.3
Restricted-DS CREBs Sinking Funds [5	78,769.0	76,466.2	79,138.8	84,536.3	86,469.6	89,787.9	92,815.0	94,134.9	96,945.3	57,056.0	79,086.6
Restricted-Habitat Funds	17,588.3	17,056.5	15,888.5	18,063.4	17,906.7	17,797.8	17,486.1	18,787.9	18,543.1	1,918.8	1,905.5
All Restricted Funds	***$ 315,667.9***	***$ 300,340.3***	***$ 316,790.1***	***$ 231,743.7***	***$ 245,669.1***	***$ 239,004.0***	***$ 260,199.9***	***$ 238,803.7***	***$ 255,207.3***	***$ 234,054.8***	***$ 288,930.9***
Total	**$ 548,107.1**	**$ 543,112.0**	**$ 566,246.5**	**$ 428,268.8**	**$ 448,918.6**	**$ 446,695.4**	**$ 470,351.9**	**$ 435,826.2**	**$ 449,893.3**	**$ 437,055.9**	**$ 459,773.9**

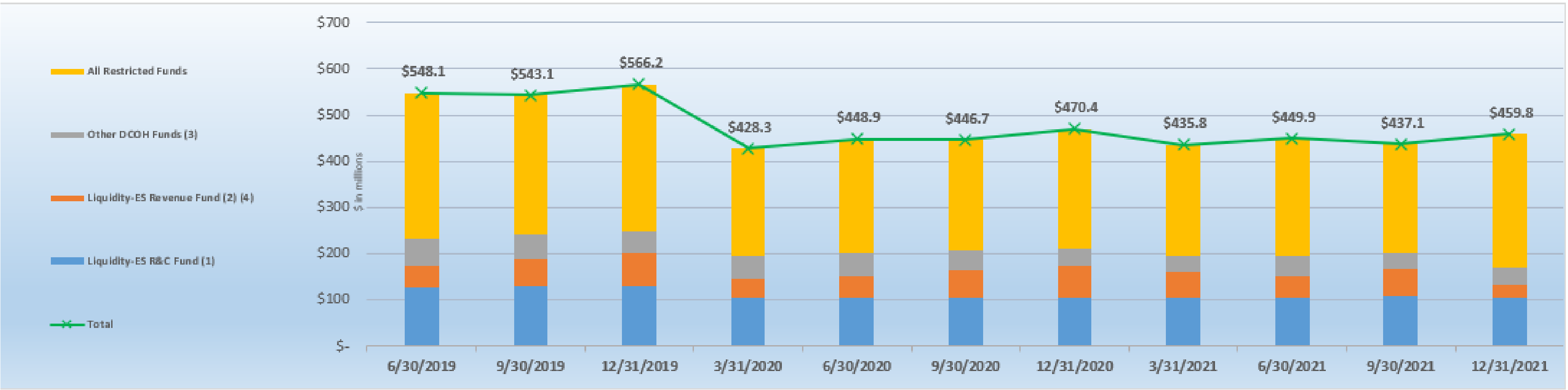
[1] Electric System R&C Fund liquidity target = $100M + interest earnings

[2] Electric System Revenue Fund minimal balance = $5M. Excess funds above liquidity target utilized for annual planning of equity financing of PRP capital (Junior Lien Bonds, see Note 4).

[3] Other funds used in Days Cash On Hand metric include PRP Revenue, PRP Supplemental R&C, Service System, and Customer Deposit Fund

[4] Construction funds comprised of internally pledged funds for capital and issued bonds

[5] CREB sinking fund payments required by bond covenants to pay bullet maturities in years 2027 ($30M), 2032 ($42.4 M), and 2040 ($30M). Monthly deposits to sinking fund made, recalibrated every 6 months.

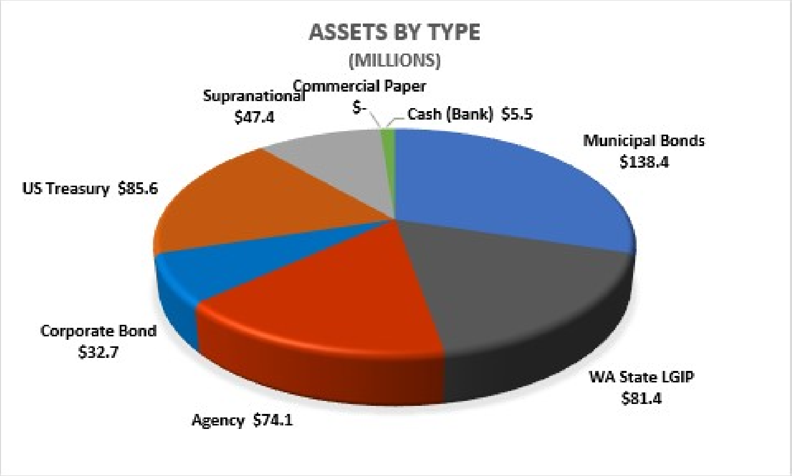


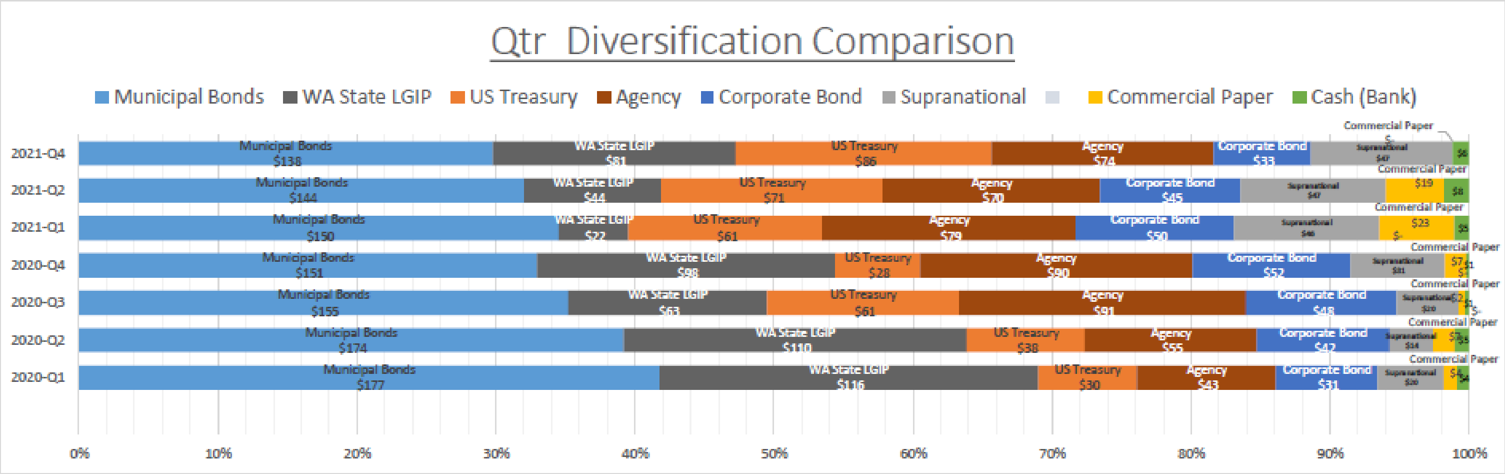
*based on preliminary financials

DIVERSIFICATION

Portfolio as of 12/31/2021

*measured at par





- Diversification managed within policy limits and strategy targets
  - 2021 market volatility, availability of investment types and liquidity needs impacts diversification and execution decisions
  - Strategy sector targets updated in February 2021 by the Investment Oversight Committee
  - Policy review completed annually in the fall by Committee
  - Washington Public Treasurer's Association certification of policy received in January 2022
- Duration analyzed by fund based upon state requirements and fund liquidity needs
- LGIP holdings are being actively managed utilizing "break even" analysis for short term liquidity investment decisions
  - As of 12/31 higher balance for required Jan 1st debt service payments

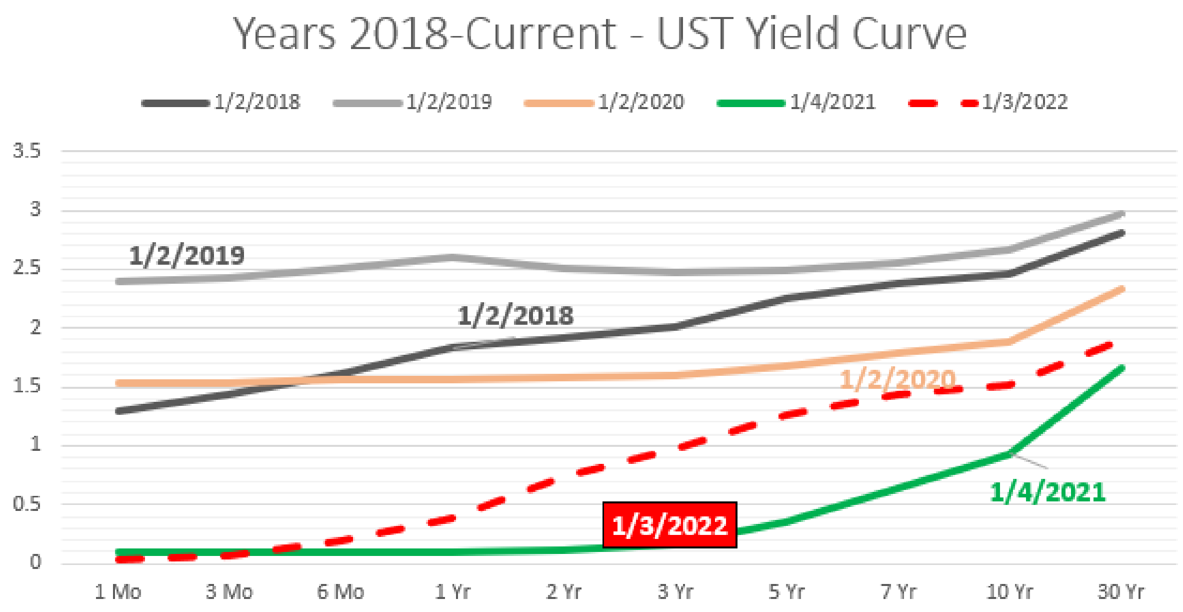
Security Type	Book Value ($ in Millions)		Yield	Portfolio Allocation	Policy Max	Target Range	In Compliance
Municipal Bonds	$	138.4	2.92%	29.8%	50%	20-40%	YES
WA State LGIP	$	81.4	0.08%	17.5%	100%	Varies	YES
Agency	$	74.1	1.14%	15.9%	50%	5-25%	YES
Corporate Bond	$	32.7	1.28%	7.0%	25%	5-15%	YES
US Treasury	$	85.6	0.60%	18.4%	100%	10-35%	YES
Supranational	$	47.4	0.38%	10.2%	50%	5-20%	YES
Commercial Paper	$	-	0.00%	0.0%	25%	0-10%	YES
Cash (Bank)	$	5.5	-	1.2%	n/a	< $3M avg	YES
	$	465.1	1.56%	100%			

Aggregate Portfolio Duration 12/31/21 2.17 Years

Cash & Investments

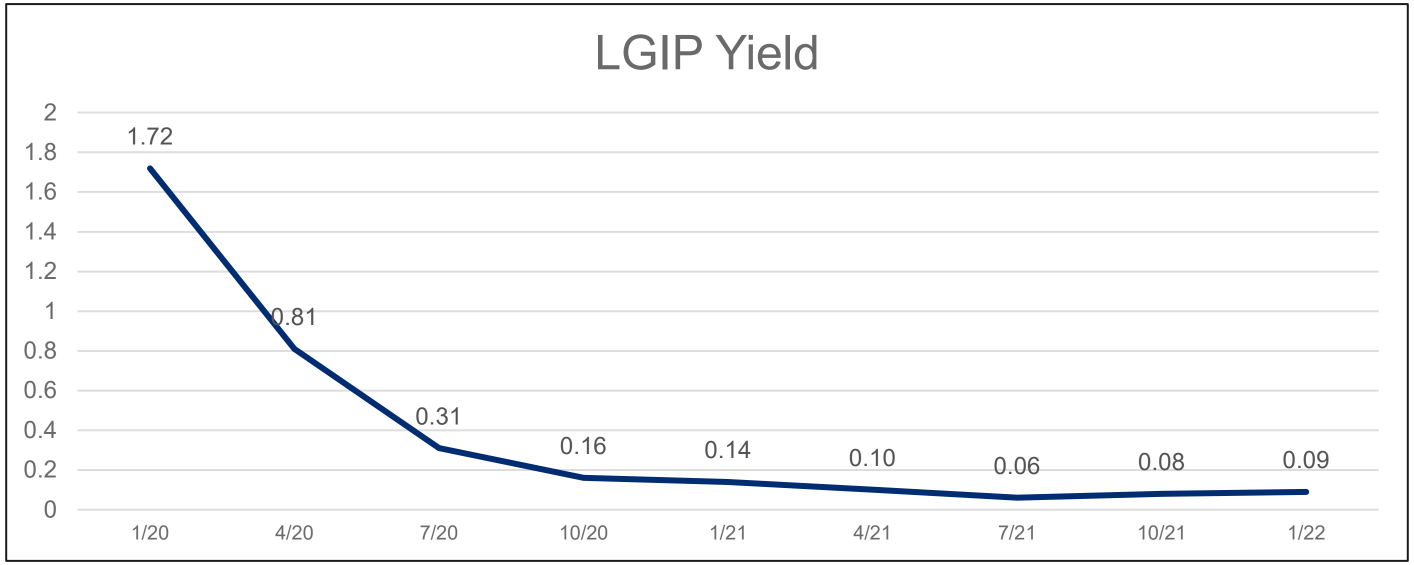
MARKET

- Interest earnings are driven by UST rates both directly as an investment and as a driver to underlying transactable yields
- The Fed Funds target currently is at 0.00-0.25%
- The Federal Reserve is expected to make its first .25% interest rate hike in March 2022. Market participants speculate on between 3 and 5 rate moves in 2022.
- The District's policy follows state requirements and strategy is based upon the tenants of
  1) legality, 2) safety, 3) liquidity, and 4) return
- LGIP rates have declined but still provides short term investment benefits vs alternatives
  - 12/31 LGIP rate 0.09
  - 12/31 30-day T-bill 0.04
  - 12/31 3-month T-bill 0.06
  - Current overnight repo 0.00-0.05



Investment Yields / Projections

	2021	2022	2023	2024	2025	2026
AverageNew Long-Term Investment Yield	0.93%	1.77%	1.92%	1.98%	1.98%	1.97%
Short Term Rate Estimate	0.16%	0.71%	1.58%	1.80%	1.96%	1.96%
YTD LGIP Yield	0.10%					
Blended Aggregate Earnings - Cash Basis	1.47%	1.13%	1.23%	1.21%	1.24%	1.36%
Blended Aggregate Earnings - Accrual Basis	0.04%	0.81%	0.90%	0.80%	0.80%	1.26%

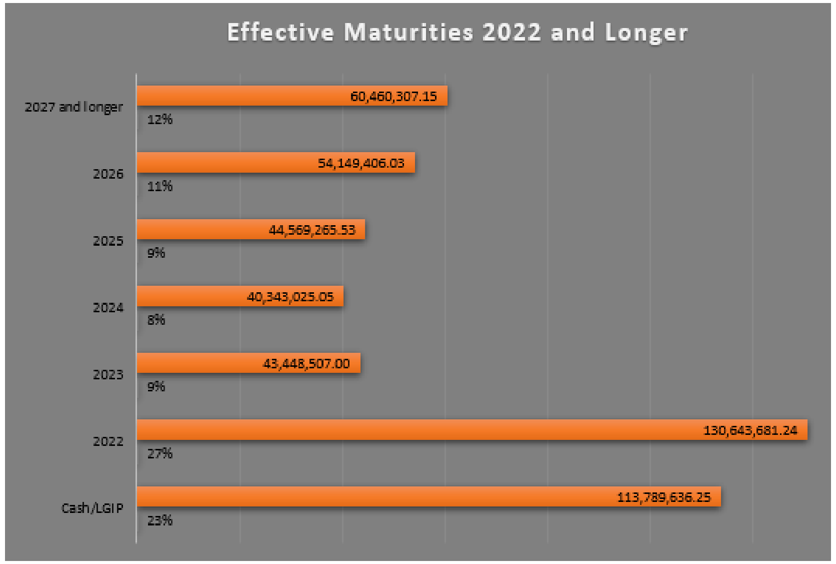


Aggregate Portfolio Book Yield 12/31/21 1.56%

PERFORMANCE

Cash & Investments

- 2021 interest income impacted largely by rates and associated market gain/loss on portfolio investments and premiums on maturing bonds
  - Refined cash forecasting tools and fund specific strategies have increased investment earnings/cash flows, partially mitigating some of these impacts
- Investment in muni sector provided average return @ 2.92% yield, supporting the overall aggregate yield amidst falling rates
- 50% of portfolio matures > year 2023



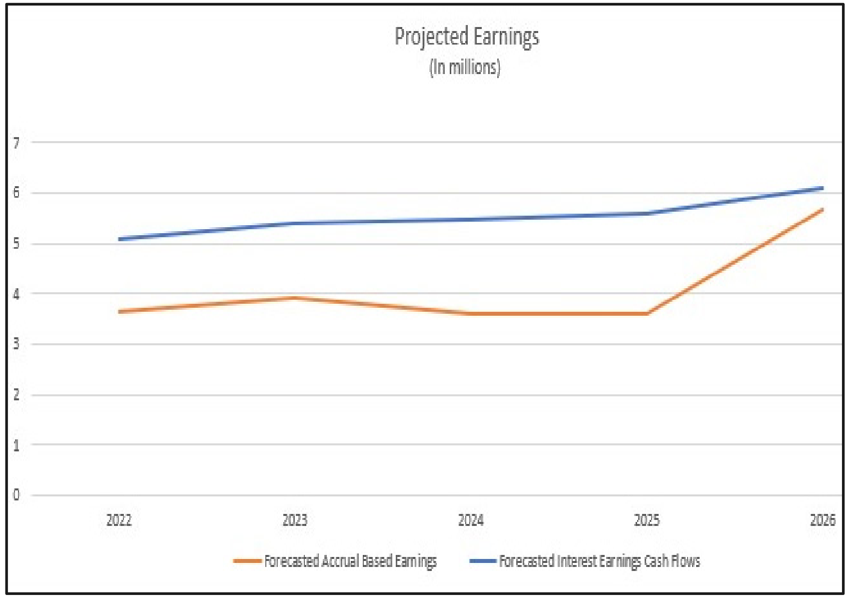
- Year End Portfolio Return/Yield reported at $4.4M in investment income cash flow coupons and premium/discount amortizations realized at maturity. The current unrealized gain/loss for the non-cash financial statement is (-$5.1M) due to mark to market adjustments.
- 2021 actual coupons and accrued came in at $ 7.9M ($8.0M budgeted, projected at $9.1M), Accruals are reflected in financial forecast at $1.6M.
- District budget/financial forecast assumed a flat 2% return for interest.

Investment Portfolio Activity

*in millions

	Q3 2021 YTD	2021 Actual Year-End
Investment Receipts (Coupons/Accrued)	$ 6.1	$ 7.9
Amortization of Discounts and Premiums (realized at maturity)	$ (2.3)	$ (3.5)
Total Realized Portfolio Return / Yield	**$ 3.8**	**$ 4.4**
Unrealized Gain / Losss (Market Fair Value Adj)	$ (3.5)	$ (5.1)
FS Investment Income	**$ 0.3**	**$ (0.7)**

2021 Budgeted Interest Income @2% = $3.6M

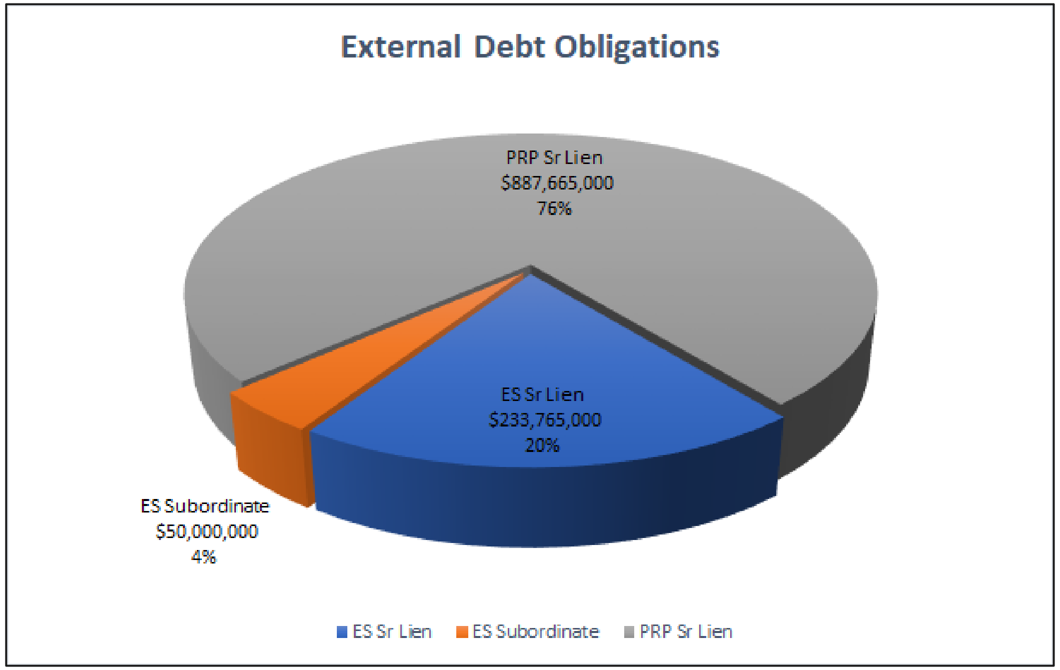


Debt Portfolio

- Principal and interest payments Jan 1st annually
- 2nd half interest payments July 1st annually
- Variable rate interest payments monthly
- 1/12th of fixed rate annual debt requirements "set aside" in P&I funds monthly
- Internal PRP equity financing of capital (JLB bonds) has historically resulted in reduction of bond financed capital by utilizing equity
- Forecasted debt between the financial forecast and Treasury debt activity is reflective of timing issuance differences and rounding

Total Consolidated Outstanding External Debt

Total = $1,171,430,000 as of 12/31/2021



- Weighted average **coupon rate** of fixed debt: **3.7%**
- **Weighted average life** of debt portfolio (as of 12/31/21) **10 years**
- **Effective cost of debt** for entire portfolio (net of interest rebates): **3.6%**

*Calculated as 2021 yield on interest due, does not factor in benefit of sinking funds on CREBs

Forecasted Net Debt Activity 2021-2026

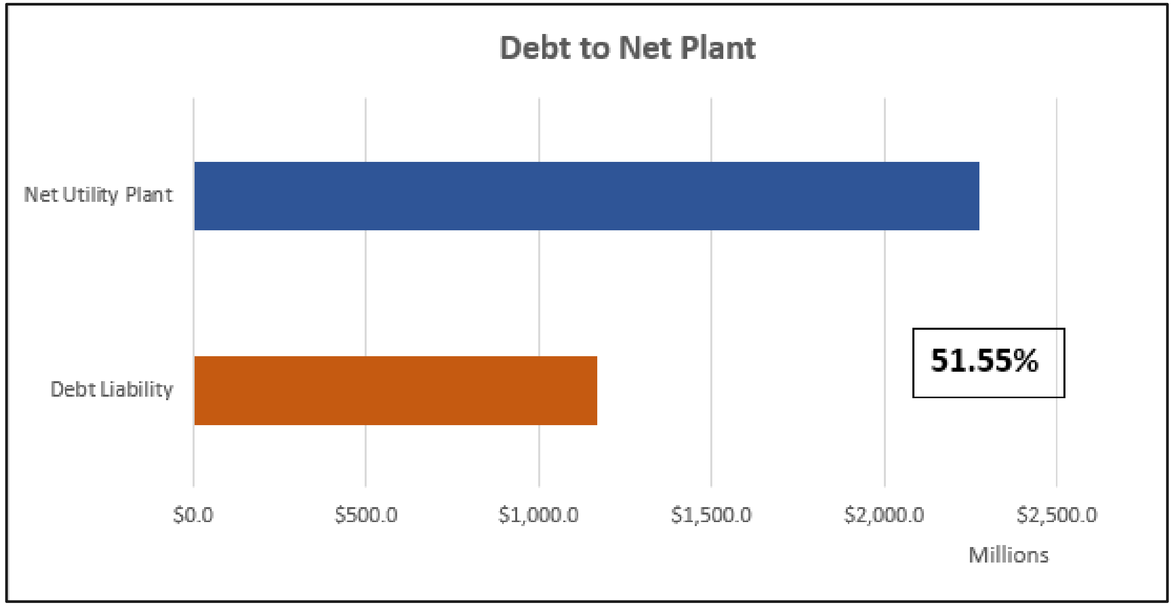
*in millions

	2021	2022 Budget	2022	2023	2024	2025	2026
Principal Due & Accrued	$ 29.3	$ 29.8	$ 29.8	$ 29.9	$ 29.5	$ 30.8	$ 34.7
Interest Due & Accrued	$ 44.8	$ 44.1	$ 44.1	$ 41.2	$ 41.8	$ 41.7	$ 42.3
CREB Sinking Fund Deposits	$ 9.4	$ 10.0	$ 10.0	$ 10.0	$ 10.0	$ 10.0	$ 10.0
Federal Interest Rebates	$ (10.5)	$ (10.4)	$ (10.4)	$ (10.4)	$ (10.3)	$ (10.2)	$ (10.2)
Projected New Debt Service	$ -	$ -	$ -	$ -	$ 1.5	$ 3.0	$ 3.0
Subtotal Cash Impact	**$ 73.0**	**$ 73.4**	**$ 73.4**	**$ 70.7**	**$ 72.5**	**$ 75.3**	**$ 79.8**
Amortization of Discount/Premium/Issuance Cost	$ 1.7	$ 2.0	$ 2.0	$ 1.8	$ 1.7	$ 1.7	$ 1.7
Net Debt Activity	**$ 74.7**	**$ 75.4**	**$ 75.4**	**$ 72.5**	**$ 74.2**	**$ 77.0**	**$ 81.5**

Debt Portfolio

FINANCE PLAN

- The Strategic Plan target for debt to net plant ≤ 60% and is a factor in determining future financing plans
  - Capital is funded as a combination of revenue (equity) financing and revenue bonds (debt)
- Feb 2021 JLB financing for PRP (equity from Elec system) issued at $30.0M Par
- Dec 2021 JLB-B financing for PRP (equity from Elec system) issued at $50.0M Par
  - Resolution 8826 authorized initial program, subsequent Resolution 8968 approved by Commission in July for additional $300.0M in financing



*Based on preliminary financials

- The short-term debt portion of the portfolio is interest only and intended to lock in a portion of debt service < 15% of the total portfolio to hedge short-term net interest rates in rotating blocks of "thirds"

Short- Term Program

	2021	2022	2023	2024	2025
Short-Term Fixed Debt Service	$1.9M	$1.9M	$1.6M	$0.9M	$0.6M
Short-Term Variable Debt Service	$0.3M	$0.5M	$0.9M	$1.0M	$1.0M

- ES2021T, $50.0M SIFMA based direct placement bank product finalized June 2021 –remarketing of ES2019P, $50.0M

Internal Financing-Junior Lien Bonds

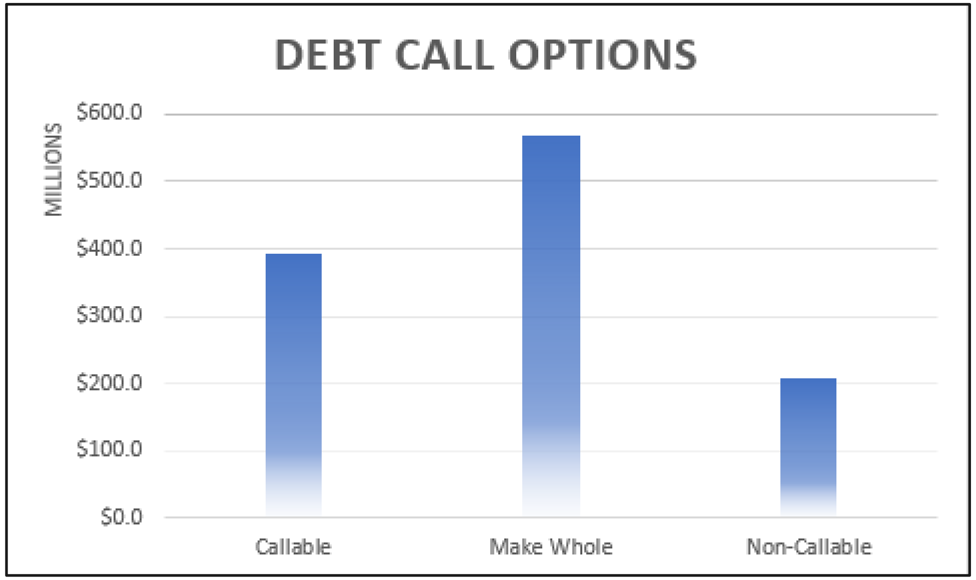
Priest Rapids Project (PRP)

Series	Original Par	Original Premium	Outstanding Par Amount	Authorization Max	Final Maturity
2014	$ 45,500,000		$ 39,065,000	$ 50,000,000	1/1/2044
2015	$ 27,040,000	$ 2,966,367	$ 27,040,000	$ 70,000,000	1/1/2045
2015B	$ 7,625,000	$ 779,072	$ 7,625,000		1/1/2045
2016	$ 30,860,000	$ 4,480,610	$ 28,820,000		1/1/2046
2017A	$ 25,935,000	$ 4,066,004	$ 24,340,000	$ 350,000,000	1/1/2047
2017B	$ 86,300,000	$ 13,700,135	$ 82,045,000		1/1/2048
2019	$ 110,000,000		$ 105,875,000		1/1/2049
2020	$ 79,585,000		$ 77,610,000		1/1/2050
2021	$ 30,000,000		$ 30,000,000		1/1/2051
2021B	$ 50,000,000		$ 50,000,000	$ 300,000,000	1/1/2051
Total Junior Lien Debt	**$ 492,845,000**	**$ 25,992,189**	**$ 472,420,000**		

Debt Portfolio

FINANCE PLAN

- Electric Construction Fund – current capital is revenue funded near term
  - 12-month average fund spend (lookback 2021): $12.5M
- PRP construction fund balance as of January 31, 2022: $45.3M
  - 2021A JLB - $30M transferred in February 2021 funded 2021 year spend
  - 2021B JLB - $50M transferred in December 2021 to fund current year spend
  - 12-month recent historical average fund spend: ~$5.0M
  - In 2022 Treasury does not anticipate the need to issue external debt



- Ongoing monitoring of refunding opportunities are examined for those potentially meeting District's policy of >3% PV savings and >50% escrow efficiency
  - Limited options due to 2020 large refunding and current market
  - 33.5% of bonds have a callable feature, remainder are non-callable or make whole calls
  - Examined routinely and at time of new money issuance, which could adjust financing plan for refunding savings

Proposed Debt & Internal Liquidity Transfers ($ millions)

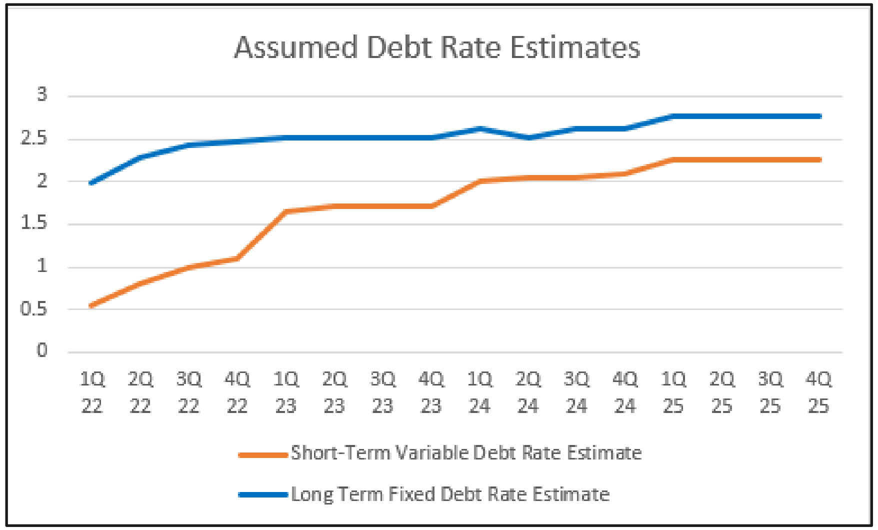
Date	External Debt New $	External Debt Remarket	Internal Liquidity Transfer
2/1/2023			$40.0
9/1/2023	$50.5	$47.7	
3/1/2024			$40.0
6/10/2024		$50.5	
11/1/2024	$50.5		
5/1/2025			$40.0
9/1/2025		$48.5	

Short-Term Program Series	PAR		Call/Remarket Date
ES2020R	$	47,190,000	9/1/2023
ES2020S	$	48,045,000	9/1/2025
ES2021T	$	50,000,000	6/10/2024

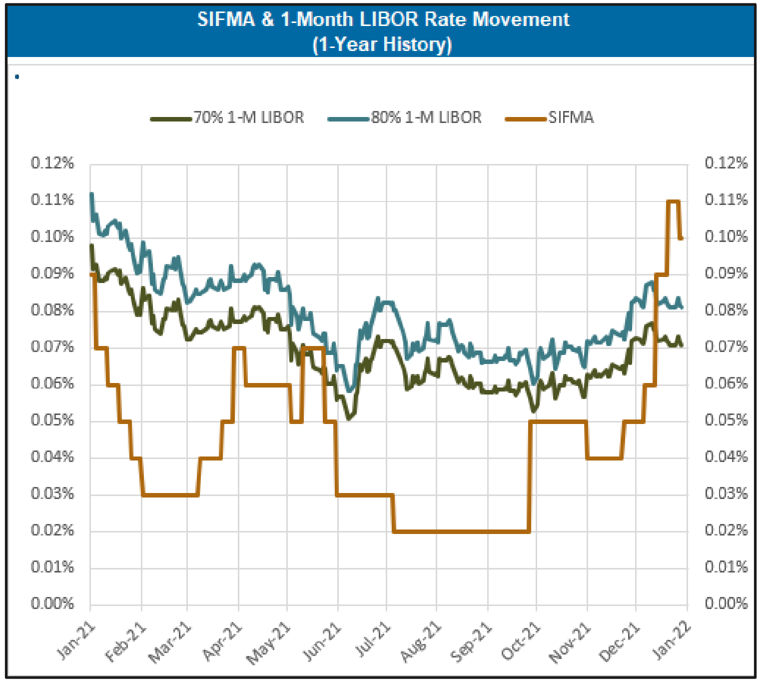
Debt Portfolio

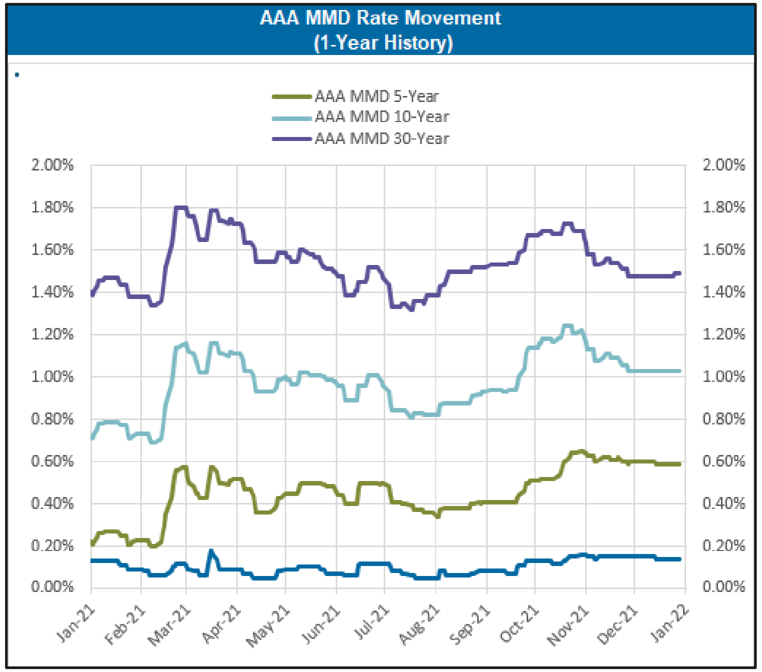
FINANCE PLAN

- Future fixed rate borrowing rates are assumed at an approximate average of ~3% thru 2025
  - Blend of 5-year average of exempt/taxable for 30-year final maturities
- Rate environment has been impacted by several factors and subject to change based upon Market Demand, Fed Rate Policy Changes, Government COVID and Stimulus Budget Add-Ons
- Implied future borrowing rates assume a spread to the US Treasury Rate and an implied spread from MMD AAA to AA
- Taxable rates approximated at a +85bps spread
- Variable rate estimates leverage short-term rate projections incorporated with short-term program maturity dates



	Tax-Exempt (AAA MMD + 27 bps)	Taxable (UST + 85 bps)	SOFR 10 Year Average
30-Year Yield	1.99%	2.93%	
10-Year Average	2.70%	3.57%	0.63%





DEBT MANAGEMENT

Credit Ratings

- Fitch rating affirmed July 28th ‘AA’ Outlook Stable
- The Electric System was rated in August 2020 by Fitch and S&P for the Electric series R & S transactions
- During December 2019 and March 2020 the Utility received credit ratings from Fitch, Moody’s, and S&P for the 2020 issuances (PRP and Elec)
- Electric System carries a slightly higher rating than PRP for one rating

Priest Rapids Hydroelectric Project

RATING AGENCY	RATING	OUTLOOK	EFFECTIVE DATE
Fitch Ratings	AA	Stable	07/28/2021
Moody's Investor Service	Aa3	Stable	03/03/2020
Standard & Poor's Rating Service	AA	Stable	03/03/2020

Electric system

RATING AGENCY	RATING	OUTLOOK	EFFECTIVE DATE
Fitch Ratings	AA	Stable	07/28/2021
Moody's Investor Service	Aa3	Stable	12/26/2019
Standard & Poor's Rating Service	AA+	Stable	08/12/2020

Additional Treasurer Reporting

TY000007A-LST – Treasury Authorized Personnel for Payment of Funds and Procurement of Investments

Last Updated On: 7/28/2021

List	Description
Payment	Bonnie Overfield, Senior Manager Treasury
Payment	Angelina Johnson, Treasury Operations Supervisor
Payment	Ginna Fontaine, Financial Analyst
Payment	Amy Thompson, Financial Analyst
Payment	Tina Wentworth, Data Analyst
Investments	Bonnie Overfield, Senior Manager Treasury
Investments	Angelina Johnson, Treasury Operations Supervisor
Investments	Mark Buchta, Senior Financial Analyst
Investments	Ginna Fontaine, Financial Analyst
Investments	Amy Thompson, Financial Analyst

TY000004A-LST – Treasury Authorized Imprest Accounts

- Funds > $2,500 held in a checking account per resolution
- Total list shall not exceed $60,000

Last Updated on 1/25/2022

List	Description			
Amount	Fund	Bank/Acct	Custodian	Alt. Custodian
$5,000	Power Production – Advance Travel Imprest	B of A #3906	Cathye Clark	Dustin Bennett
$400	MLLO Cash Drawer 1		Taffy Courteau	
$400	MLLO Cash Drawer 2		Taffy Courteau	
$400	MLLO Cash Drawer 3		Taffy Courteau	
$400	MLLO Cash Drawer 4		Taffy Courteau	
$400	Ephrata Cash Drawers 1		Taffy Courteau	
$400	Ephrata Cash Drawer 2		Taffy Courteau	
$400	Quincy Cash Drawer 1		Taffy Courteau	
$400	Quincy Cash Drawer 2		Taffy Courteau	
$400	Royal City Cash Drawer 1		Taffy Courteau	
$400	Royal City Cash Drawer 2		Taffy Courteau	
$9,000	**Aggregate Total**			

TY000007B-LST – Treasury Authorized Investment Brokers & Banking Financial Institutions

Last Updated On: 12/01/2021

List	FINRA Standings Update	Description
Broker	12/01/2021	FTN Financial Securities Corp
Broker	12/01/2021	ICBC Financial Services, LLC
Broker	12/01/2021	KeyBanc and Capital Markets
Broker	12/01/2021	Mischler Financial Group, Inc
Broker	12/01/2021	Oppenheimer & Co, Inc
Broker	12/01/2021	Piper Sandler & Co
Broker	12/01/2021	Stifel, Nicholaus & Co
Broker	12/01/2021	UBS Financial Services
Broker	12/01/2021	Vining Sparks
Broker	12/01/2021	Wells Fargo Securities, LLC
Banking Institutions		Bank of America
Banking Institutions		US Bank of Washington
Custody Safekeeping		Wells Fargo Trust

Notes

- Resolution 8712 delegates banking and investment responsibilities to the Treasurer and provides certain guidance. Section 7 details that the Treasurer's report will include: cash/investment activity/balances, authorized list of banking institutions/brokers, authorized treasury staff to perform banking and investing activities, and a summary of petty cash funds
- The Advanced Travel Imprest account was reduced due to inactivity in 2020, this separate account is required by RCW 42.24.130
- The CS Refund Imprest account was closed in November 2021 due to streamlined AP process/CCS implementation and elimination of separately managed account

M E M O R A N D U M **February 22, 2022**

TO: Rich Wallen, General Manager/CEO

VIA: Bonnie Overfield, Chief Financial Officer

FROM: Jennifer Sager, Senior Manager Accounting

SUBJECT: Preliminary Unaudited Q4 2021 Financial Statements

Financial Highlights: All comparisons unless otherwise stated are year to date (January through December) of 2021 versus 2020.

- Statement of Revenues, Expenses and changes in net position:
    - Total operating revenues of $360.0M were $27.5M higher than the same period in the prior year, primarily driven by increases in Retail revenues of $22.0M (10.5%) and Wholesale revenues of $8.4M (10.3%), offset by decreases in Sales to power purchasers at cost of $4.3M (15.5%). Overall Q4 retail loads were 2.3% above budgeted revenues, driven by increased large commercial growth and one large load customer growing rapidly. The major driver of the increase in wholesale revenues was due to increased energy prices and demand, as well as in increases in contractually set slice and pooling agreement payments. Combined EUDL revenues and surplus power sales were $20.8M higher than the prior year, offset by an increase in power purchases of $16.0M.

    - Total operating expenses of $266.1M were $35.1M (15.2%) higher than the same period in the prior year. The overall increase in operating expenses is largely due to an increase in labor and benefits of $8.6M (7.6%) driven by a 2% increase in FTR's, wage increases and $.7M less labor supporting capital projects. In addition, purchased services, IT expenses, and Operating material and equipment increased a total of $11.3M (29%). Overall capital labor was under budget by $10.4M in 2021, resulting in additional labor reported as operating expenses. Depreciation expense increased $1.9M (2.4%) largely attributed to a $89.1M or 4.1% increase in net utility plant. Taxes increased $2.3M (13.2%) from increases in public utility taxes, which are inline with increases in operating revenues.

    - Total change in net position of $73.9M is $19.7M (21.0%) lower than the same period in the prior year. This decrease is due to the operating revenue and expense fluctuations described above and a decrease of $17.0M (86.8%) in interest and other income. Due to market volatility caused by the pandemic, significant swings in mark to market adjustments were experienced. The increased volatility created a shift from net unrealized gains to net unrealized losses, resulting in an $13.6M (159.3%) decrease from prior year. In addition, there was a decrease of $3.1M of insurance proceeds related to the Central Ephrata Substation claim in 2020. The decrease in interest and other income was offset by decreases in amortization of debt related costs of $2.8M (62.5%) and debt issuance costs of $2.8M (95.6%), due to the refinancing of debt in 2020. 2021 debt refinancing transactions have been significantly less in size than the prior year. Contributions in aid of construction were consistent with the prior year at $14.1M.

- Statement of net position:
  - Total cash and investments of $465.5M were $4.9M (1.0%) less than the same period in the prior year.
  - Customer accounts receivable, net of $46.4M increased $15.0M (47.6%) due to a Large Power Facilities Agreement contribution billed in November 2021 and received after year-end.
  - Other Current Assets decreased $4.6M (61.6%) due to the timing of receipt of BABS & CREBS rebates.
  - Utility plant, net of $2.3B increased $89.1M or 4.1%, attributed to significant ongoing projects throughout the District, including DB2, QTEP, Fiber expansion and the Turbine & Generator replacements.
  - Deferred outflows of $40.1M decreased $4.4M (9.8%) due to amortization of debt refunding losses and changes in OPEB deferred outflows.
  - Trade payables of $36.9M were consistent with the prior year with an increase $.5M (1.4%)
  - Wages Payable of $16.1M increased $2.6M (18.9%) due to overall increases in labor and benefits, as discussed in the operating expenses section, as well as additional vacation hours accrued at year-end.
  - Total current and long-term unearned revenue of $45.1M increased $26.6M (143.8%) due to recognizing unearned customer contributions from a few large customers in Q4 2021.
  - Total outstanding debt of $1.2B decreased $31.7M (2.6%) due to debt refinancing in 2020 and regular scheduled payments.
  - Licensing Obligations of $80.0M increased $16.2M (29.6%) because of changes in the assumptions used by Grant PUD to assert that all No-Net-Impact requirements under the Salmon and Steelhead Settlement Agreement have been satisfied. After the assertion was reviewed by various stakeholders in Q4 2021, it was determined the liability should be reinstated.
- Final entry for Actuarial Changes to Pension Expense related to GASB 68 has not been made and is not included in the preliminary financial statements.
  - Net pension liability is in the preliminary analysis stage as we work to invoke Regulatory Accounting. Due to changes in actuarial assumptions and differences in projected and actual earnings on plan investments, management expects the net pension liability of $25.8M to decrease to $6.3M for PERS 1 and a Net pension asset of $65.2M for PERS 2/3 to be established. Deferred outflows related to pensions are expected to be consistent with prior years, while deferred inflows are expected to increase $59.6M.

Recommendation: For your information only.

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY
UNAUDITED Preliminary
STATEMENT OF NET POSITION
December 31, 2021 AND 2020

	2021	2020	Difference
CURRENT ASSETS			
Cash	2,836,589	5,369,965	(2,533,376)
Investments	46,607,401	80,278,611	(33,671,210)
Restricted funds			
Cash	940,979	732,209	208,770
Investments	99,055,677	89,294,662	9,761,015
Customer accounts receivable, net	46,389,595	31,420,765	14,968,830
Materials and supplies	20,860,847	19,090,476	1,770,371
Due from power purchasers	534,756	32,779	501,976
Other current assets	2,866,563	7,469,905	(4,603,342)
Total current assets	220,092,407	233,689,373	(13,596,966)
NONCURRENT ASSETS			
Investments	2,406,502	4,566,105	(2,159,603)
Restricted funds			
Cash	1,895,588	2,329,786	(434,197)
Investments	311,732,883	287,780,545	23,952,337
Conservation loans	254,397	303,286	(48,889)
Preliminary expenses	3,727,913	4,115,573	(387,660)
Total other noncurrent assets	320,017,283	299,095,295	20,921,988
Utility plant, net	2,284,526,310	2,195,404,290	89,122,020
Total noncurrent assets	2,604,543,593	2,494,499,585	110,044,008
DEFERRED OUTFLOWS			
Net pension, change in proportion	8,268,089	8,268,089	-
Other Post Employment Benefits	2,076,529	2,367,914	(291,385)
Unamortized refunding loss	29,793,065	33,881,404	(4,088,339)
Total deferred outflows	40,137,684	44,517,407	(4,379,724)
TOTAL ASSETS AND DEFERRED OUTLFOWS OF RESOURCES	2,864,773,683	2,772,706,366	92,067,318

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY
UNAUDITED Preliminary
STATEMENT OF NET POSITION
December 31, 2021 AND 2020

	2021	2020	Difference
CURRENT LIABILITIES			
Accounts payable			
Trade	36,854,032	36,338,393	515,639
Wages payable	16,110,186	13,554,884	2,555,302
Accrued taxes	8,494,590	7,821,263	673,327
Customer deposits	7,410,353	5,556,912	1,853,441
Accrued bond interest	22,331,491	22,488,439	(156,947)
Unearned revenue	21,072,160	9,791,913	11,280,247
Habitat liability	17,662,090	16,325,209	1,336,881
Other current liabilities	-	39,768	(39,768)
Current portion of licensing obligations	2,489,988	1,784,993	704,995
Current portion of long-term debt	29,795,000	79,295,000	(49,500,000)
Total current liabilities	162,219,889	192,996,773	(30,776,884)
NONCURRENT LIABILITIES			
Revenue bonds, less current portion	1,152,343,627	1,134,535,683	17,807,944
Licensing obligations, less current portion	68,504,824	53,015,289	15,489,534
Pension obligations	25,726,571	25,726,571	-
Accrued other postemployment benefits	8,956,534	10,364,179	(1,407,645)
Long-term unearned revenue	24,044,207	8,710,863	15,333,344
Total noncurrent liabilities	1,279,575,763	1,232,352,586	47,223,177
DEFERRED INFLOWS			
Net pension, deferred inflow	7,752,491	-	7,752,491
OPEB, deferred inflow	1,712,310	7,752,491	(6,040,181)
Total deferred inflows	9,464,801	7,752,491	1,712,310
Total liabilities and deferred inflows of resources	1,451,260,454	1,433,101,851	18,158,603
NET POSITION			
Invested in capital assets, net of related debt	1,104,032,003	981,008,990	123,023,012
Restricted	315,974,965	307,193,782	8,781,183
Unrestricted	(6,493,738)	51,401,742	(57,895,481)
Total net position	1,413,513,230	1,339,604,515	73,908,715
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	2,864,773,683	2,772,706,366	92,067,318

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY
UNAUDITED Preliminary
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
For the Twelve Months Ending December 31, 2021 and 2020

	2021	2020	Difference
OPERATING REVENUES			
Sales to power purchasers at cost	23,584,144	27,908,072	(4,323,929)
Retail energy sales			
Residential	46,210,630	45,094,049	1,116,581
Irrigation	28,755,789	27,453,267	1,302,522
Commercial and industrial	153,178,885	133,845,908	19,332,977
Governmental and others	3,594,863	3,383,635	211,228
Wholesale revenues, net	90,411,375	81,973,868	8,437,507
Fiber optic network sales	12,045,789	10,671,817	1,373,971
Other	1,758,431	1,712,779	45,652
Total operating revenues	359,539,906	332,043,397	27,496,508
OPERATING EXPENSES			
Generation	47,217,940	37,701,904	9,516,036
Transmission	2,974,626	2,679,977	294,648
Distribution	36,458,624	31,041,159	5,417,465
Customer and information services	3,859,034	4,078,549	(219,515)
Fiber optic network operations	2,771,586	2,256,627	514,959
Administrative and general	58,700,774	38,790,658	19,910,115
License compliance and related agreements	13,487,609	18,105,803	(4,618,194)
Depreciation and amortization	80,590,857	78,676,781	1,914,075
Taxes	20,080,543	17,736,015	2,344,528
Total operating expenses	266,141,592	231,067,473	35,074,119
NET OPERATING INCOME	93,398,313	100,975,924	(7,577,611)
OTHER REVENUES (EXPENSES)			
Interest and other income	2,577,370	19,566,832	(16,989,461)
Interest on revenue bonds and other, net of capitalized interest	(44,857,096)	(44,166,306)	(690,790)
Federal rebates on revenue bonds	10,484,352	10,615,529	(131,176)
Amortization of debt related costs	(1,651,514)	(4,405,673)	2,754,159
Cost of debt issuance	(130,134)	(2,936,907)	2,806,773
Total other revenue (expenses)	(33,577,022)	(21,326,526)	(12,250,496)
CONTRIBUTIONS IN AID OF CONSTRUCTION	14,109,750	13,956,828	152,922
CHANGE IN NET POSITION	73,931,041	93,606,225	(19,675,185)
NET POSITION			
Beginning of year	1,339,582,189	1,245,998,290	93,583,899
End of year	1,413,513,230	1,339,604,515	73,908,713

Strategic Plan Metrics
Q4 2021

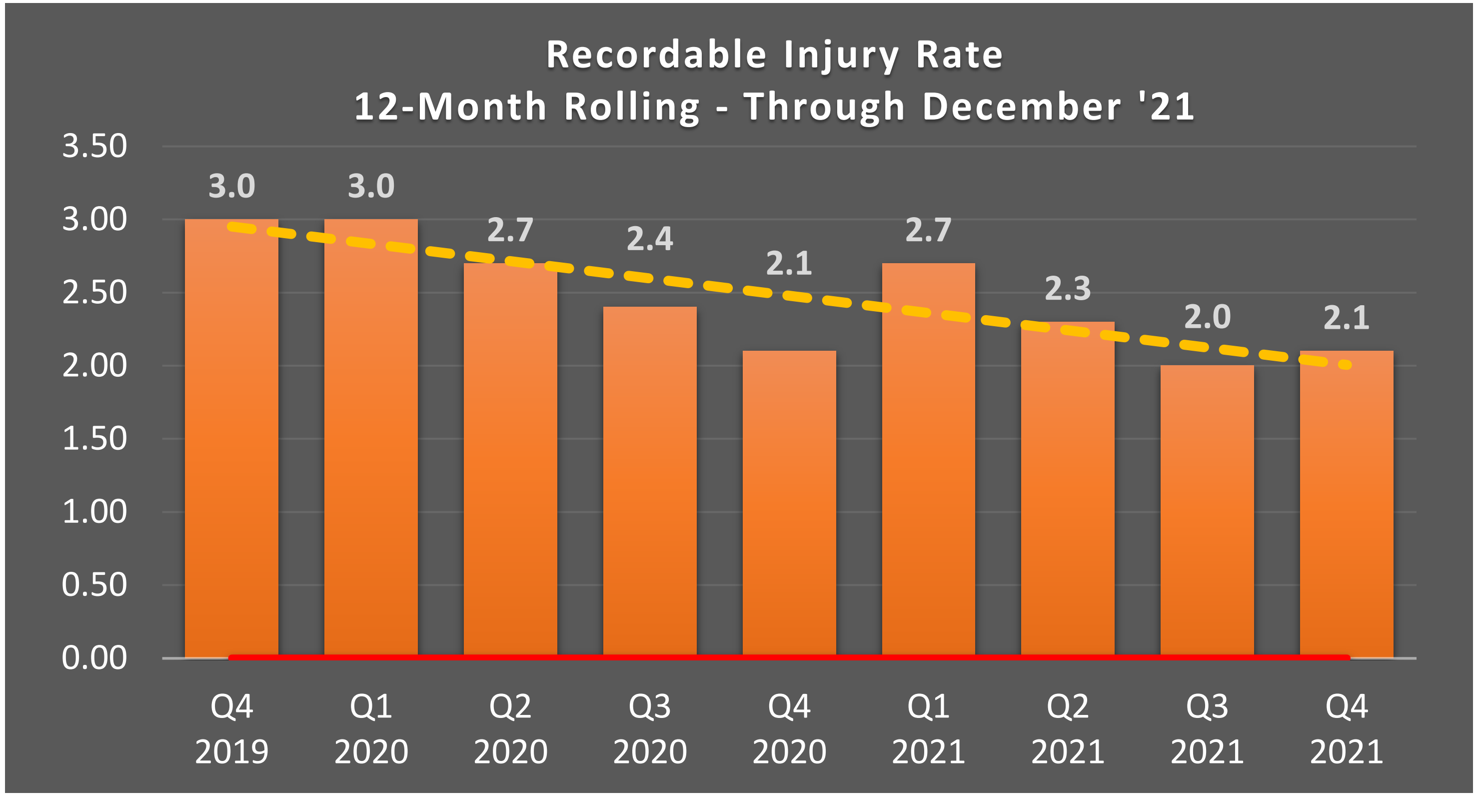
March 8, 2022

Grant PUD

Powering our way of life.

Objective 1 – Safety Performance

Zero Recordable Incident Rate	2021 Target	2021
	0	2.1



- Recordable Injury Rate through December

<u>Changing the Culture</u>

- Safety Meeting attendance

  Jan 92%, Feb 88%, Mar 92%, Apr 91%, May 91%, Jun 80%, Jul 90%, Aug 91%, Sep 92%, Oct 94%, Nov 93%, Dec 93%

- 739 jobsite reviews conducted through Dec

Grant County PUBLIC UTILITY DISTRICT

Objective 2 – Design and Sustain an Engaging and Fulfilling Grant PUD Culture

Organizational Health Index	2021 Target	2021
	≥ 75	55

- Target is top quartile based on McKinsey's Organizational Health Index
- 2019 survey result was 42. Increase of 6.5 points per year is higher than the average increase of 5 points per year
- Improved response rate of 85% as compared to 2019 response rate of 65%

Employee Engagement Assessment	2021 Target	2021
	≥ 75	26

- Current score is from October 2020
- Scored every two years. Next assessment is planned for fall of 2022
- Target is 75^{th} percentile rank, which is top quartile

Grant County PUBLIC UTILITY DISTRICT

Objective 2 – Design and Sustain an Engaging and Fulfilling Grant PUD Culture

Educational Reimbursement Target	2021 Target	2021
	75%	75%

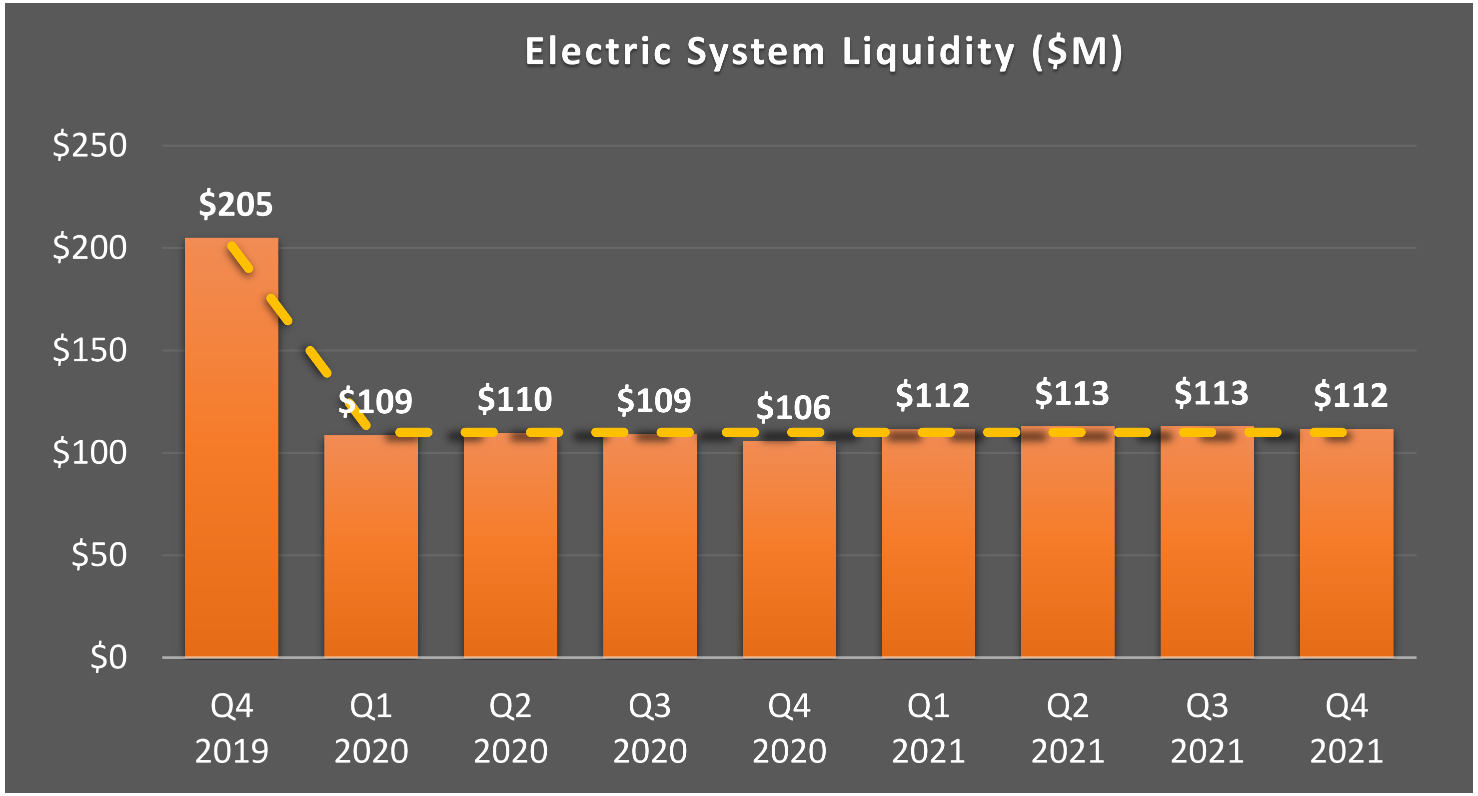
- Target is 75% completion rate of the learning path (e.g., degrees, certifications, apprenticeship) measured upon program exit
- Since 2016, 15 of 20 employees exiting the program have completed what they set out to accomplish
- Currently have 25 program participants; Historically, average participation has been 11 employees

Training Effectiveness Assessment	2021 Target	2021
	4 out of 5 stars	4.5 stars

- Based on employee-reported training results
- Includes LMS and Live/Virtual training scores

Objective 3 – Maintain a Strong Financial Position

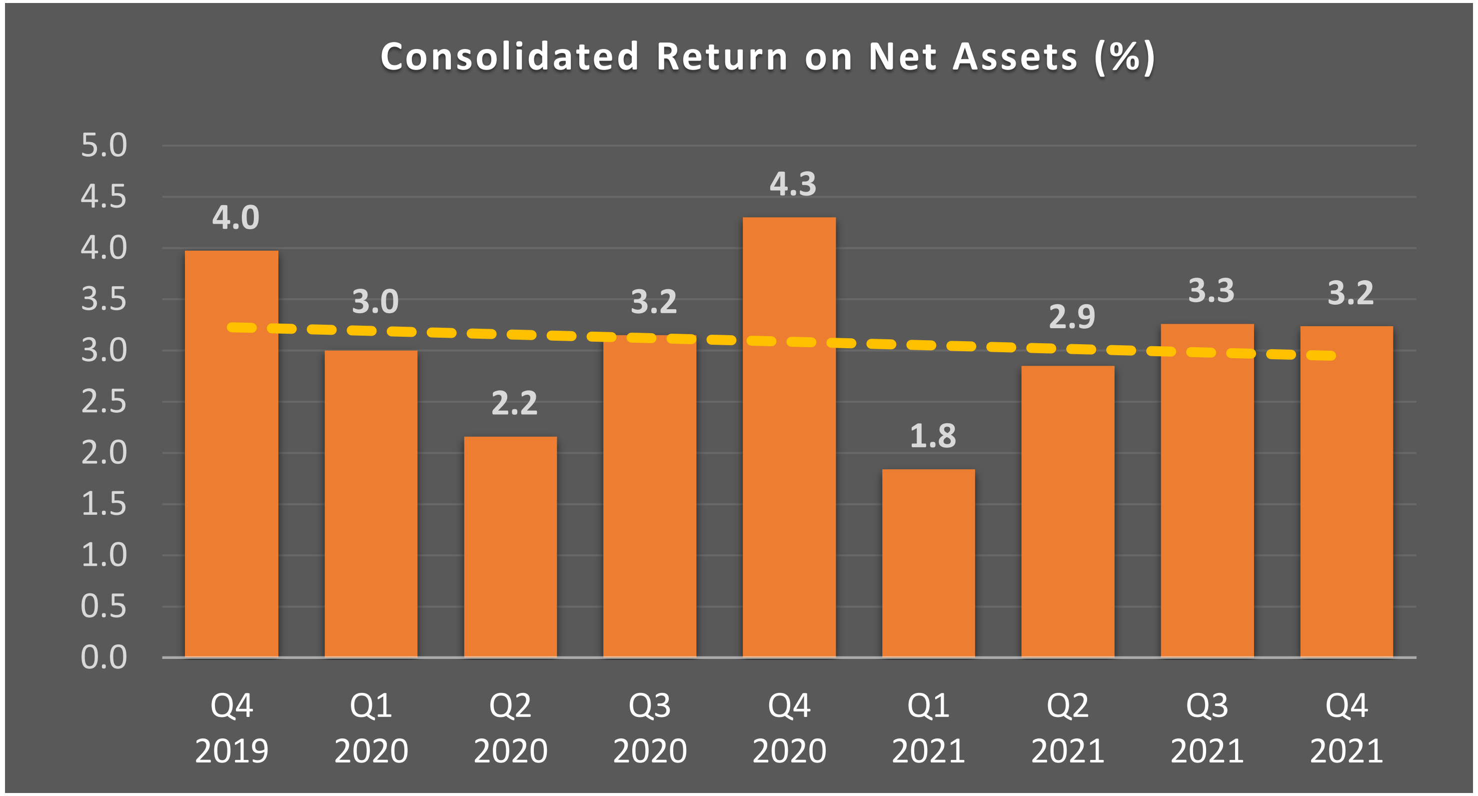
Electric System Liquidity	2021 Target	2021
	≥ $105 MM	$112 MM



- Electric System Liquidity is comprised of the *ELEC System Revenue Fund + ELEC System Reserve & Contingency Fund*
- Preliminary value for 2021

Objective 3 – Maintain a Strong Financial Position

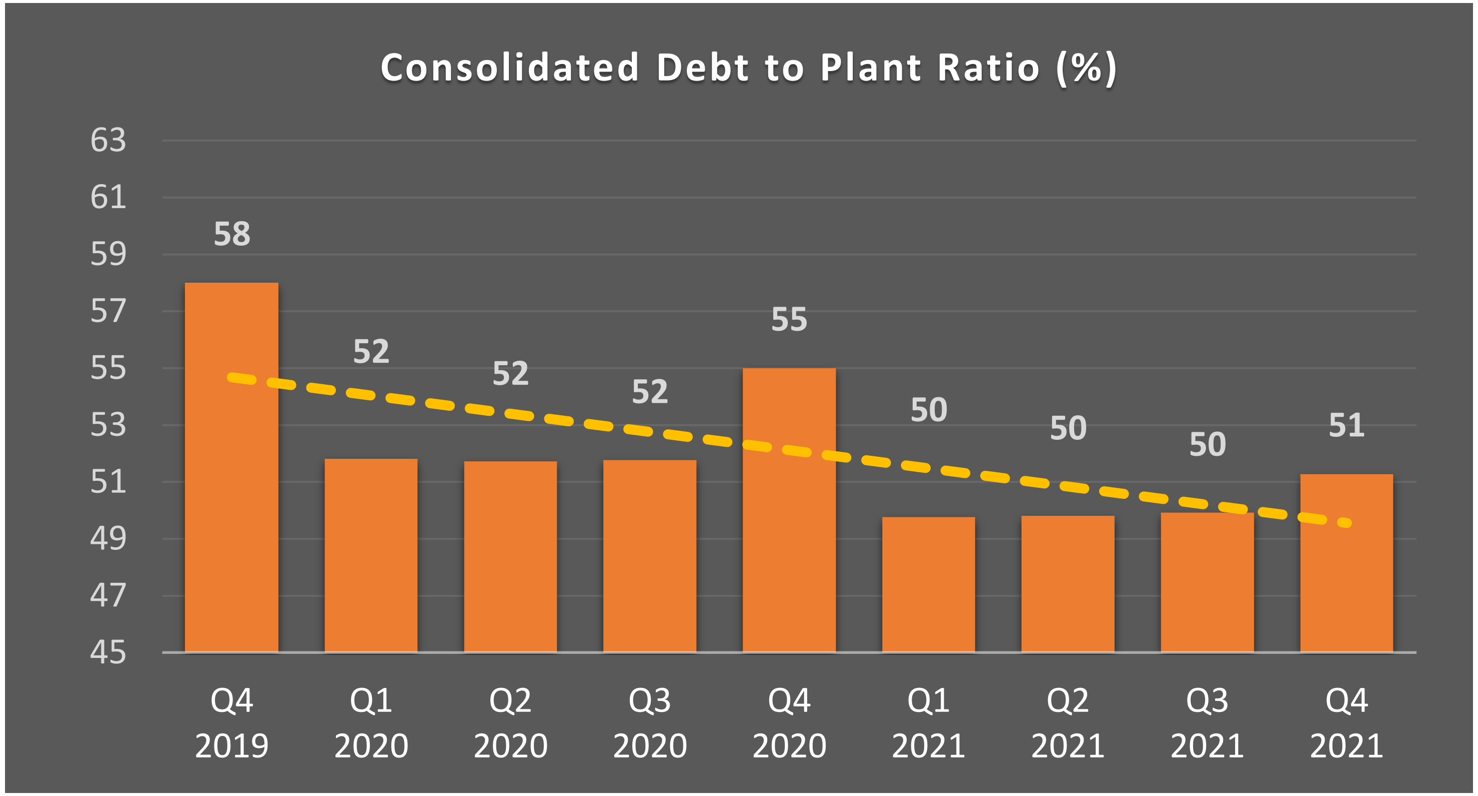
Consolidated Return on Net Assets	2021 Target	2021
	≥ 4.0%	3.2%



- Change in Net Assets / Net Plant
- RONA is anticipated to be impacted by GASB 68
- Preliminary value for 2021

Objective 3 – Maintain a Strong Financial Position

Consolidated Debt to Plant Ratio	2021 Target	2021
	≤ 60%	51%

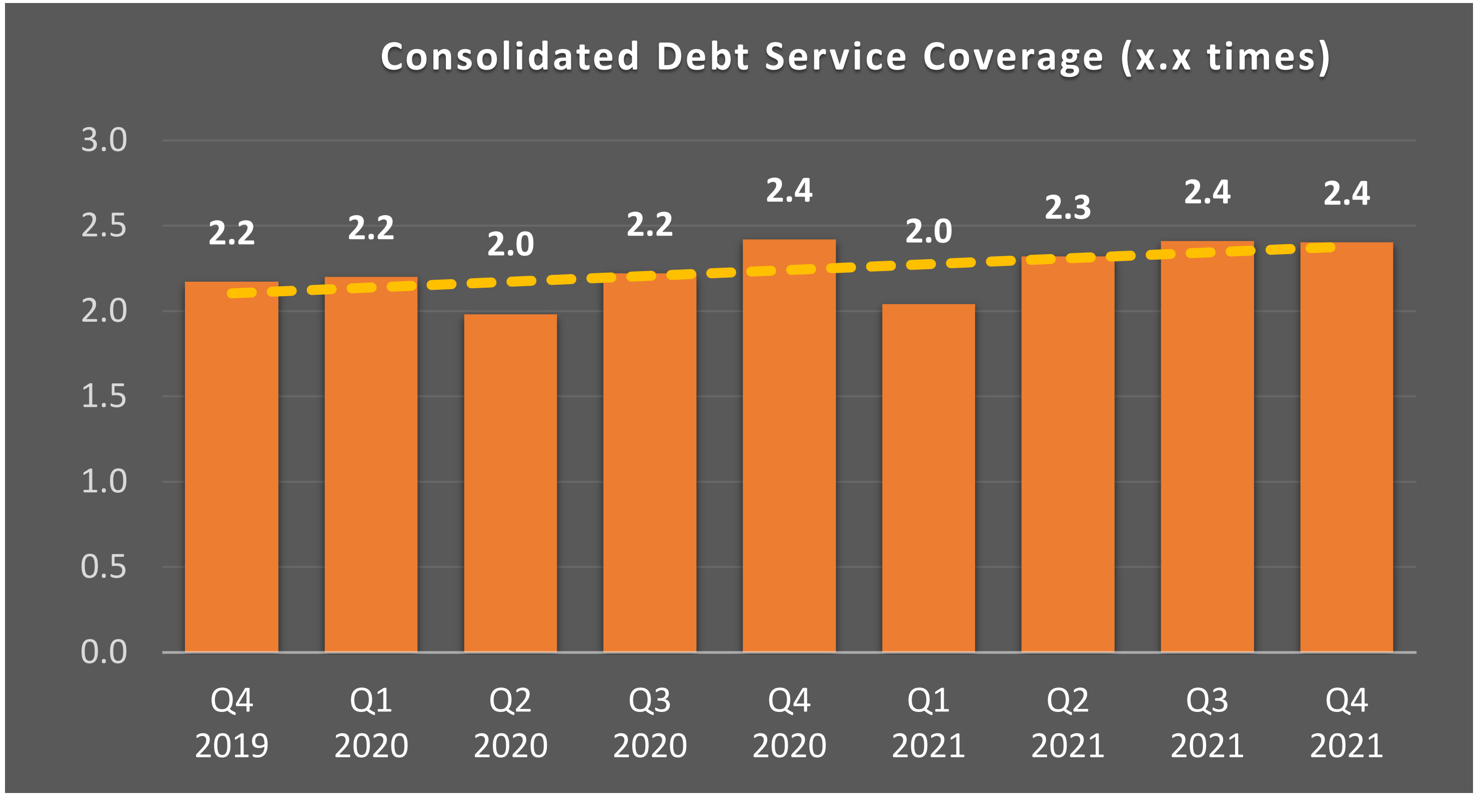


- Ratio improved after debt defeasance in January and additional debt refunding in March
- Based on book value
- Ratio based on estimated fair market plant value is 31%
- Preliminary value for 2021

Grant County PUBLIC UTILITY DISTRICT

Objective 3 – Maintain a Strong Financial Position

Adjusted Consolidated Debt Service Coverage	2021 Target	2021
	≥ 1.8 x	2.4 x

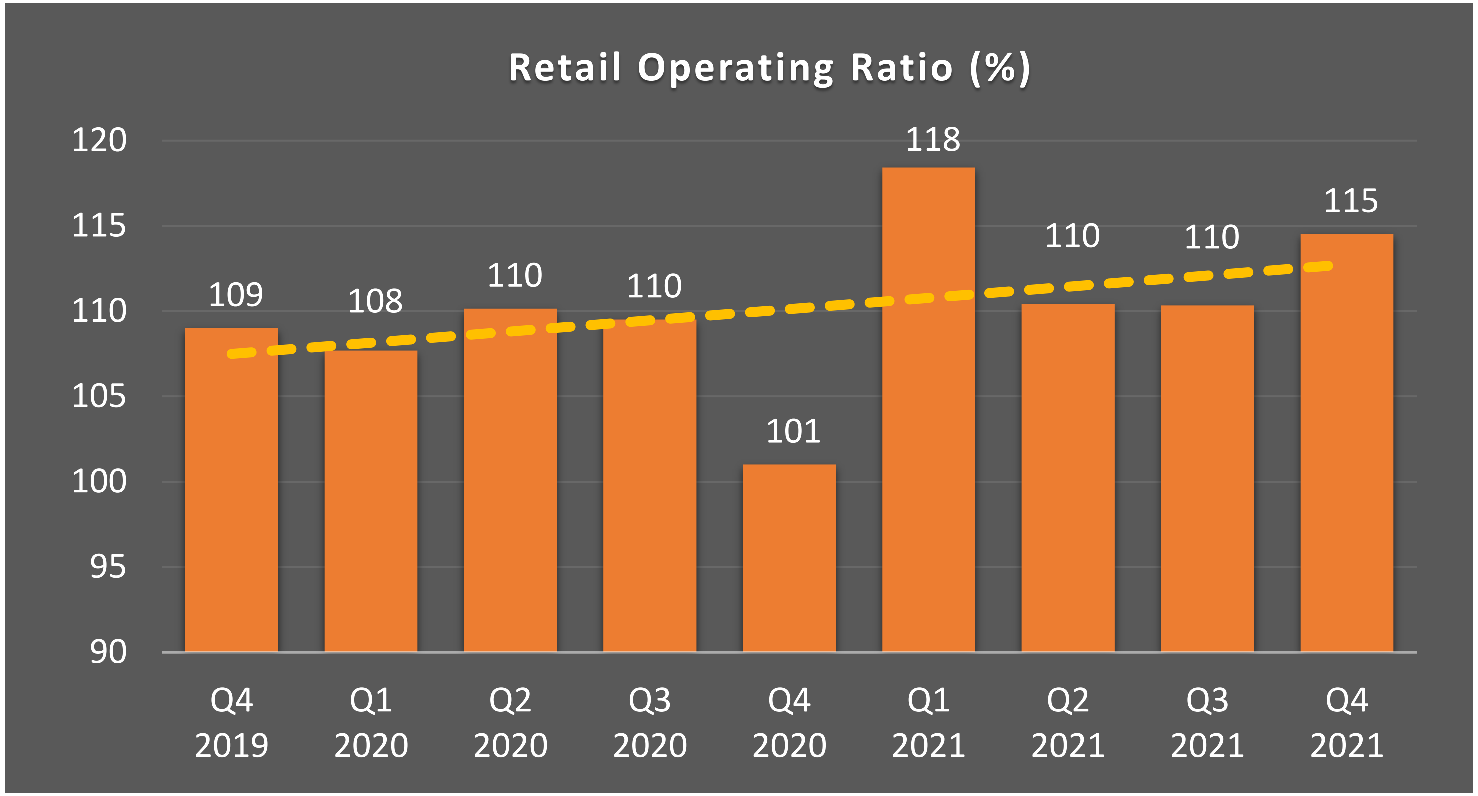


- Stable over time horizon
- Preliminary value for 2021

Grant County PUBLIC UTILITY DISTRICT

Objective 4 – Provide Long Term Low Rates

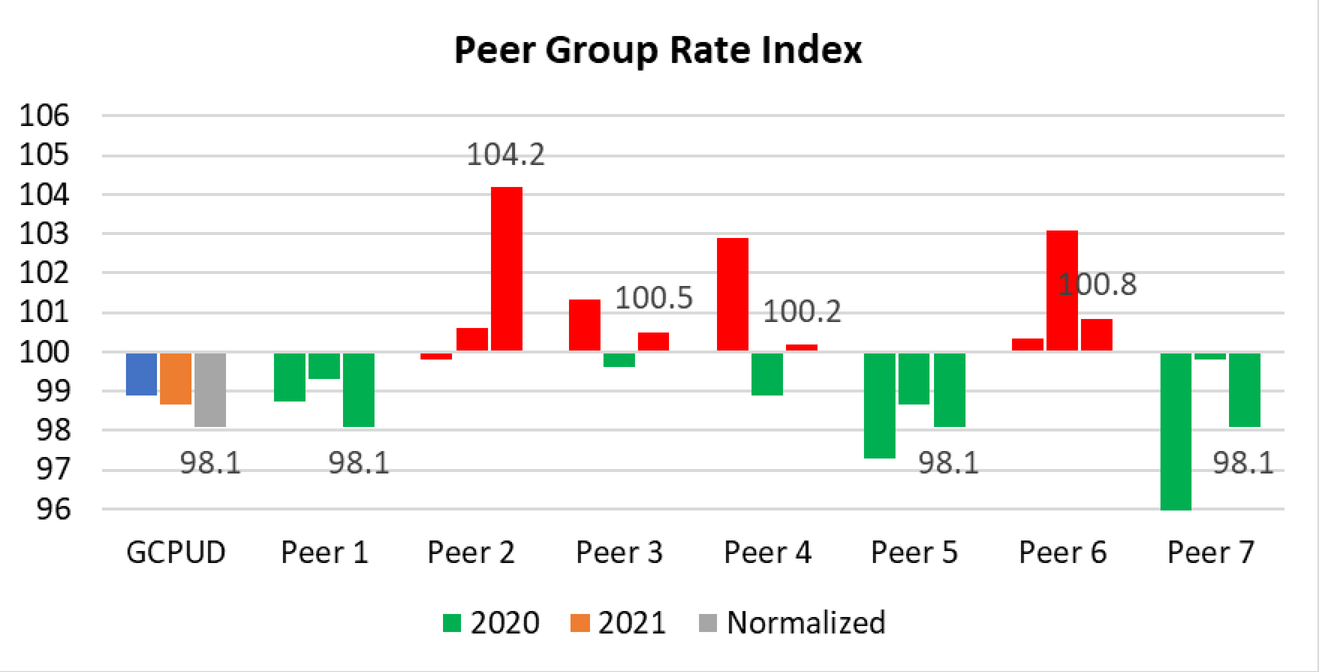
Retail Operating Ratio - Adjusted	2021 Target	2021
	≤ 100%	115%



- Calculated as total retail expenditures divided by total retail revenue
- Preliminary value for 2021

Objective 4 – Provide Long Term Low Rates

Peer Group of Excellence Retail Rate Index	2021 Target	2021
	≤ 100	98.1



- Index is based on a comparison of GCPUD rate growth to the rate growth of a selected peer group
- Looks at the trend over a five-year period
- A value less than 100 indicates rates growing at a slower pace than the average for the peer group

Objective 4 – Provide Long Term Low Rates

District Credit Rating	2021 Target	2021
	≥ Aa3	Aa3

System	Moody's	S&P	Fitch
Electric	Aa3	AA+	AA
Outlook	Stable	Stable	Stable
Effective Date	12/26/19	08/12/20	07/28/21
PRP	Aa3	AA	AA
Outlook	Stable	Stable	Stable
Effective Date	03/03/20	03/03/20	07/28/21

FINANCIAL RATINGS

Credit grade	MOODY'S	FITCH	S&P
HIGHEST	Aaa	AAA	AAA
VERY HIGH	Aa1, Aa2, Aa3	AA+, AA, AA-	AA+, AA, AA-
HIGH	A1, A2, A3	A+, A, A-	A+, A, A-
GOOD	Baa1, Baa2, Baa3, Baa4	BBB+, BBB, BB-	BBB+, BBB, BB-
SPECULATIVE	Ba1, Ba2, Ba3	BB+, BB, BB-	BB+, BB, BB-
VERY SPECULATIVE	B1, B2, B3	B+, B, B-	B+, B, B-
SUBSTANTIAL RISK	Caa1, Caa2, Caa3, Ca	CCC, CC, C, RD, D	CCC+, CCC, CCC-, CC, C, D

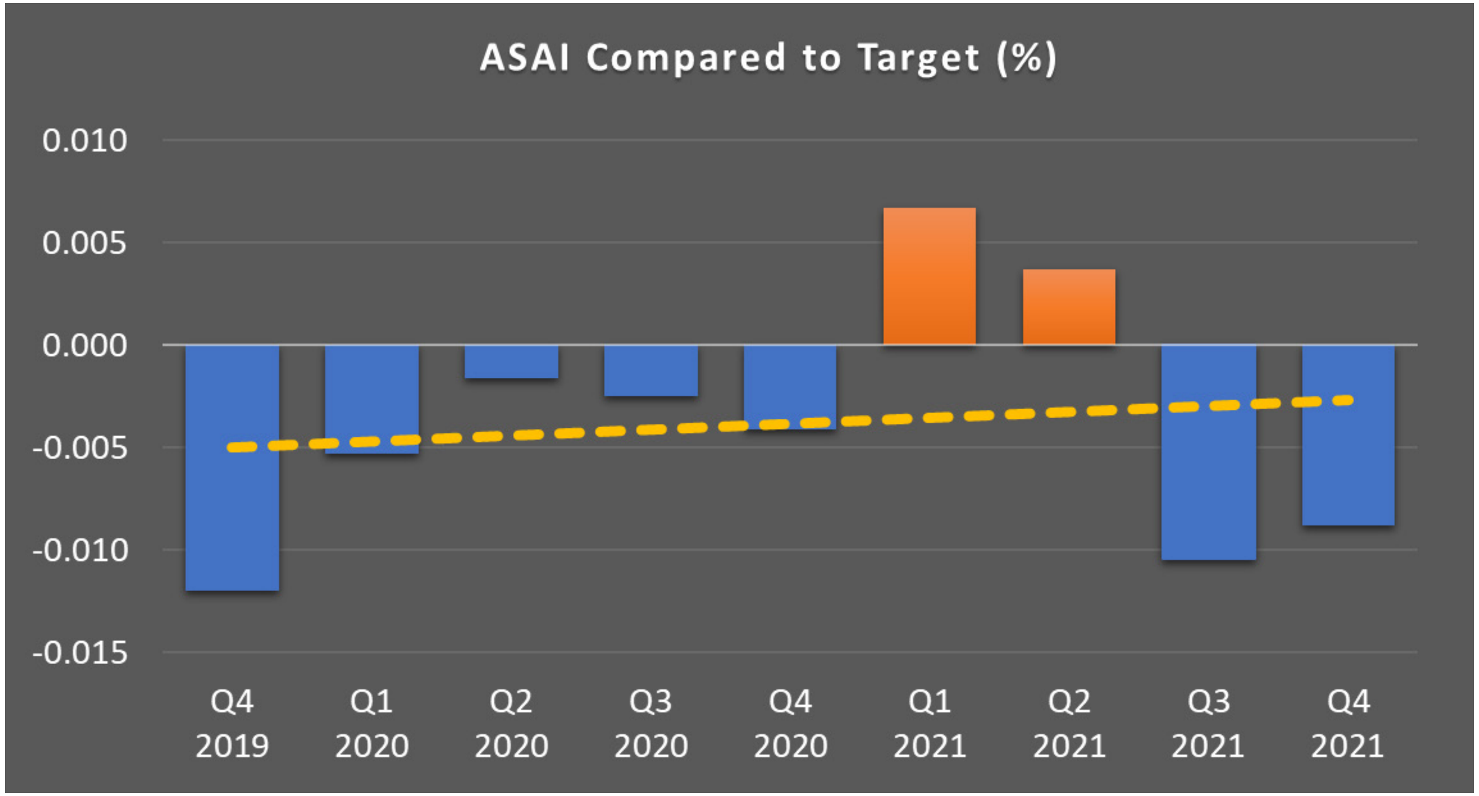
Grant PUD

Items to our Favor: Ownership of competitive hydro generation, low rates, water and power price risks reduced by exchange contract, and favorable debt service coverage

Grant County PUBLIC UTILITY DISTRICT

Objective 5 – Outstanding Service to Customers

Average Service Availability Index (ASAI)	2021 Target	2021
	≥ 99.985%	99.976%

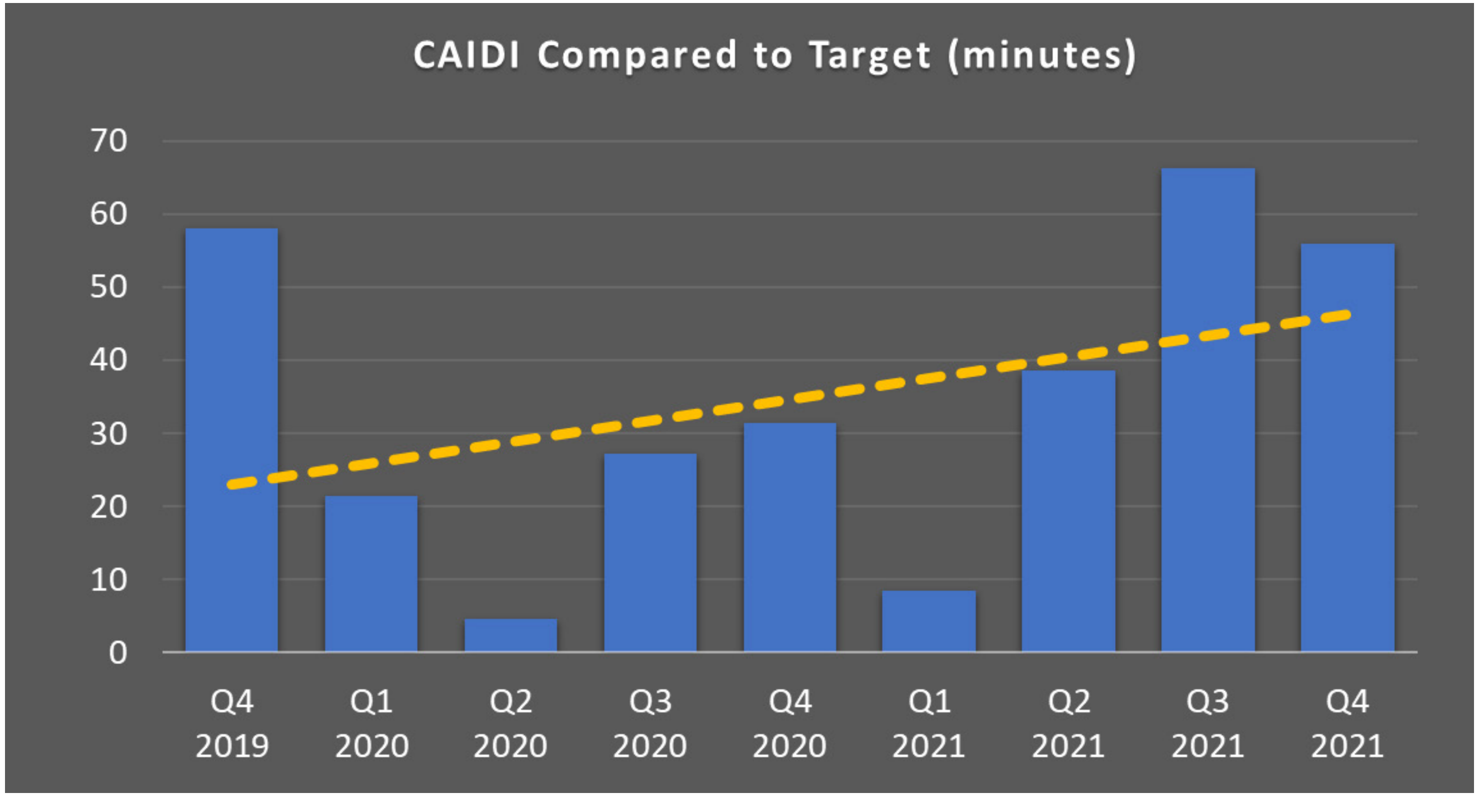


- ASAI is calculated by dividing the total hours in which service is available to customers by the total hours that service is demanded by customers

Grant County PUBLIC UTILITY DISTRICT

Objective 5 – Outstanding Service to Customers

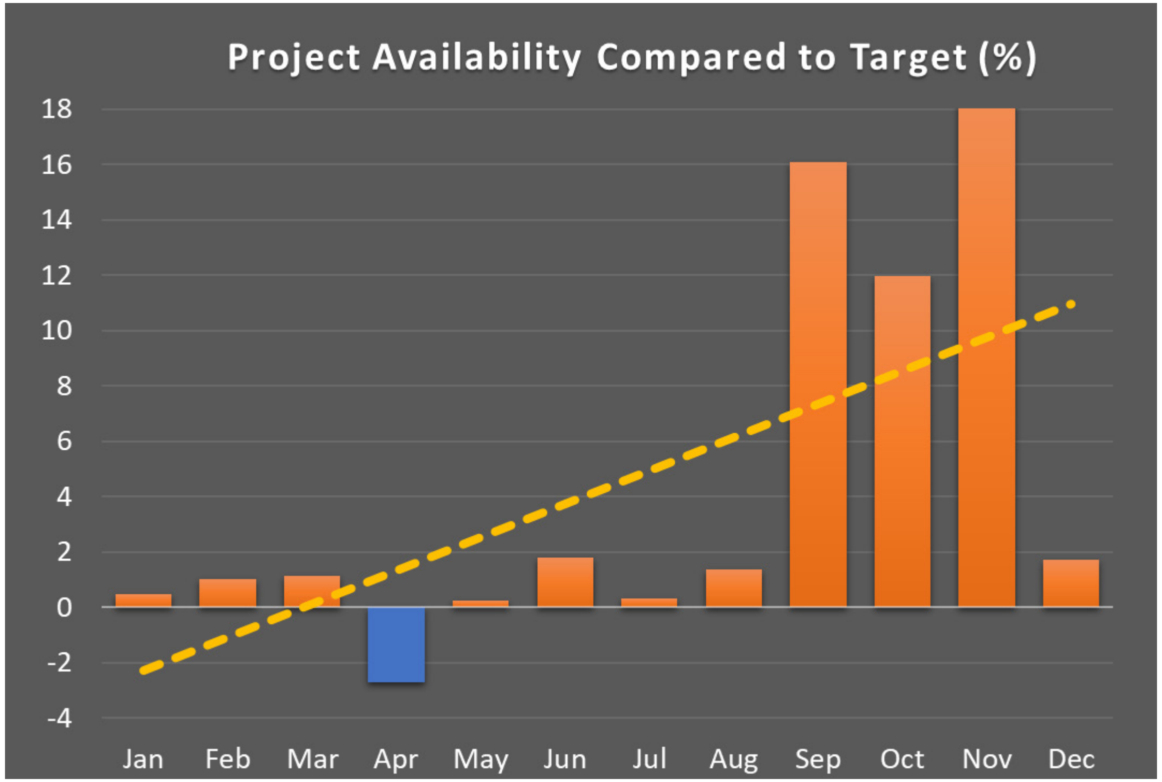
Customer Average Interruption Index (CAIDI)	2021 Target	2021
	< 110 min	166 min

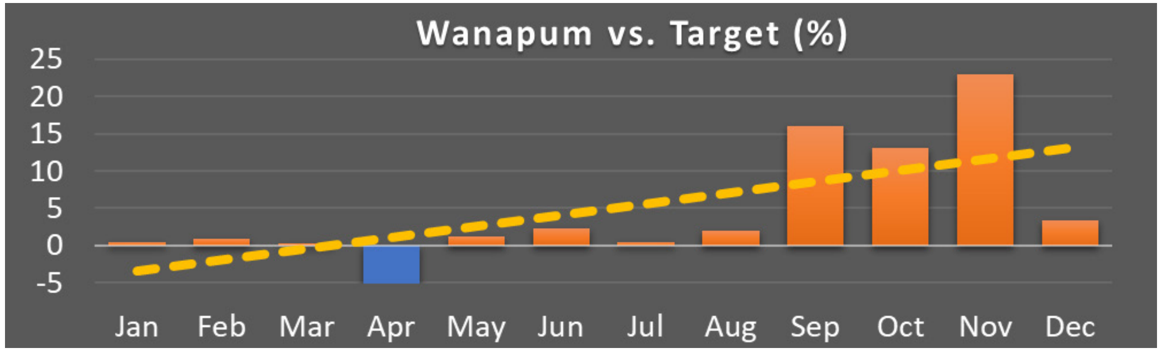


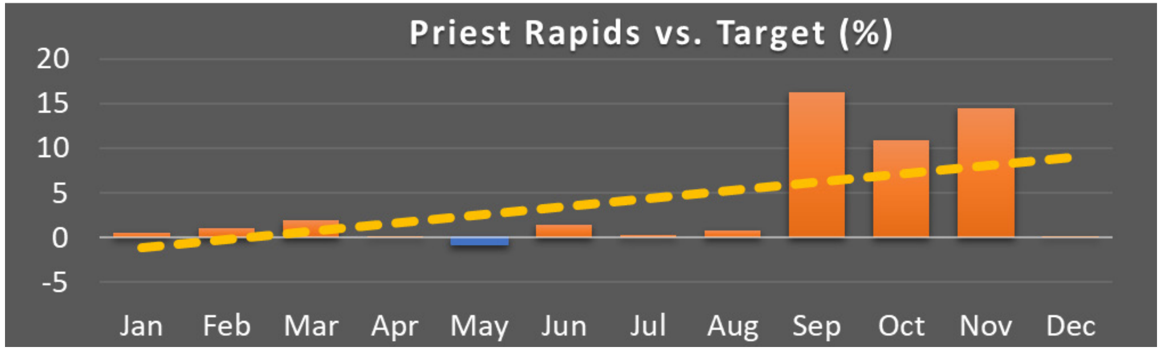
- CAIDI is calculated by dividing the sum of all customer minutes of interruption by the number of customers that experienced interruptions during that period.
- CAIDI is a sustained interruption index so only interruptions lasting longer than 5 minutes are included in the calculation.

Objective 5 – Outstanding Service to Customers

PRP Availability	2021 Target	2021
	Meet 12 of 12 Monthly Targets	11 of 12







Grant County PUBLIC UTILITY DISTRICT

Objective 6 – Operate Responsibly

	2021 Target	2021
Financial Statement Audit Performance	Unmodified Audit Opinion	Unmodified Opinion for 2020
WA State Audit Office Compliance Audit	No Audit Findings	No Audit Findings
FERC / NERC / WECC Compliance Performance	No Findings	Findings * **
FERC and Regulatory Filings	No Late Filings	No Late Filings
Environmental and Cultural	No Issues	No Issues

* No new findings in 2021
** Open Enforcement Actions are currently recognized, but not reported in this forum.

Grant County PUBLIC UTILITY DISTRICT

Objective 7 – Develop a Sustainable Broadband Network

Achieve Planned Capital Build	2021 Target	2021
	100%	118%

- Year-to-date spend through September at 80% of approved spend

Average System Take Rate	2021 Target	2021
	≥ 67.0%	66.9%

- End of Q3 take rate was 67.1%, up from Q2 take rate of 65.7%
- Added 635 potential subscribers since end of Q3, pushing the take rate just below target
- At end of December, had 25,661 subscribers with 38,302 potential subscribers

Participation by Community (as of 12/31/21)

Coulee City	48%	Grand Coulee	64%	Quincy	67%
Desert Aire	90%	Mardon	61%	Royal City	81%
Electric City	63%	Mattawa	84%	Soap Lake	60%
Ephrata	70%	Moses Lake	66%	George-Burke	61%

Strategic Objectives	Strategic Plan Metrics	2021 Target	2021	Update Frequency and Calculation
Safety	Zero Recordable Incident Rate	0	2.1	Monthly / YTD
Design and Sustain an Engaging and Fulfilling Grant PUD Culture	Organizational Health Index	≥ 75	55	Biannually / To date
	Employee Engagement Assessment	≥ 75	26	Biannually / To date
	Educational Reimbursement Target	75%	75%	Semi-Annually / To date
	Training Effectiveness Assessment	≥ 4	4.5	Quarterly / YTD
Maintain a Strong Financial Position	Electric System Liquidity	≥ $105 MM	$112 MM	Quarterly & Monthly / YEP
	Consolidated Return on Net Assets	≥ 4.0%	3.2%	Quarterly & Monthly / YEP
	Consolidated Debt to Plant Ratio	≤ 60%	51%	Quarterly & Monthly / YEP
	Adjusted Debt Service Coverage	≥ 1.8 x	2.4 x	Quarterly & Monthly / YEP
Provide Long-Term Low Rates	Retail Operating Ratio	≤ 100%	115%	Quarterly & Monthly / YEP
	Peer Group Retail Rate Index	≤ 100	98.1	Annually / To date
	District Credit Rating	≥ Aa3	Aa3	Annually / To date
Outstanding Service to Customers	Average System Availability Index	≥ 99.985%	99.976%	Monthly / YTD
	Customer Average Interruption Index	< 110 min	166 min	Monthly / YTD
	PRP Availability	12 of 12 Monthly Targets	11 of 12 Monthly Targets	Monthly / YTD
Operate Responsibly	Audits, Findings, Filings	No Findings, No Late Filings	No 2021 Findings, No Late Filings	Monthly / YTD
Develop a Sustainable Broadband Network	Achieve Planned Capital Build	100%	118%	Quarterly / YEP
	Average System Take Rate	≥ 67.0%	66.9%	Quarterly / YEP

Questions

Grant PUD Cultural Resources 2021 Q4 Business Report

Grant PUD Commission Meeting – March 8, 2022

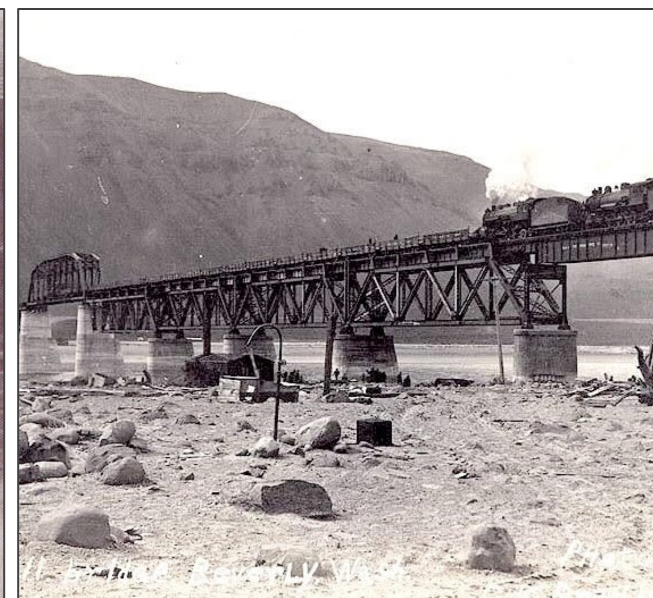
Grant PUD

Department Purpose and Goal

- The Cultural Resources Department is tasked with ensuring compliance with FERC regulatory requirements related to cultural resources. These include historic and prehistoric sites and Traditional Cultural Places important to the Wanapum, Yakama and CCT people. A secondary goal is to help foster the relationship between the District and the Wanapum, all in alignment with Grant PUD’s safety, financial, and compliance goals.

Q4 Business Review

- **Regulatory Compliance**
  - Compliance Violations = 0
  - NCRRP Reviews = 16
  - FERC orders/notices = 0
  - Summary/Listing of filings=0
- **Safety Metrics**
  - Incidents = 0
  - Close calls = 0
  - JSRs = 18
  - Safety meeting attendance = 92%



Q4/1 Business Activities

Compliance: Archaeology/River Patrol

- Archaeological monitoring reports submitted on time.
- Annual report to FERC and stakeholders also submitted on time.
- Development of the 2022 work plan for stakeholder approval was the focus in Q4

Q4/1 Business forecast

- **Compliance: Traditional Program**
  - Archaeological, Historical and Traditional resources are treated equally under 36CFR800.
  - Active Wanapum TCP projects include:
    1. Right bank project
    2. QTEP project discussion related to TCPs are underway
    3. LaLiik project with USFW

Q4/1 Business Activities

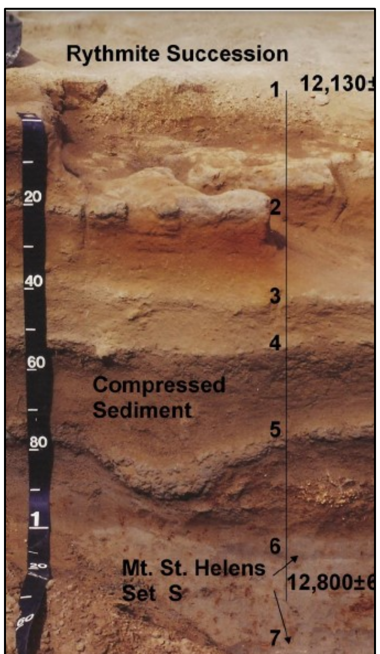
Traditional Program: Wanapum Heritage Center

- Collections access and utilization:
    - Wanapum Heritage Center is preparing to reopen.
    - Creating a comparative animal bone collection for our archaeological lab. This will be housed in the repository but used by archaeologists.
    - Planning for new temporary exhibits is underway
- Major Efforts to meet ongoing goals
    - Wood collection for sweat lodge
    - Tule and Hemp gathering ongoing
    - Canoe rehabilitation project will begin in late spring

Q4/1 Business Review

Major Projects: Archaeology

- 4 unanticipated historic discoveries on Right Bank project. Work stoppages were quick and no effects to the overall schedule resulted.
- Mitigation discussions for Station Service replacement project will begin soon.
- YTC erosion remediation project continues.



Q4/1 Business Review

Spotlight on History: Beverly Bridge

- Beverly Bridge is the only historic period resource in the project boundary that is listed on the National Register of Historic Places.
- A major project is underway to complete the 288-mile Palouse to Cascades State Park Trail across the bridge.
- ¾ of a mile long and 70 feet over the water, the bridge is one of few places to bike or walk across the Columbia River.

Spotlight on History: Beverly Bridge

- Completed in 1909, the bridge was part of the Chicago, Milwaukee & St. Paul Railroad.
- It was electrified in the 1920s to run electric trains. Electric trains ran until 1972.
- The railroad went bankrupt in the mid-1970s and ceased operations. The state of Washington took over the bridge in lieu of back taxes.
- It was listed on the National Register of Historic Places in 1982.

2021 Q4/1 Forecast

Use of Allocated Resources

Staffing –

- No staffing changes
- Wanapum Safety, TCP and Archaeological monitors are actively working on the right bank project.

Services –

- Language Program
- Gearing up for renewed RFQ for archaeological compliance

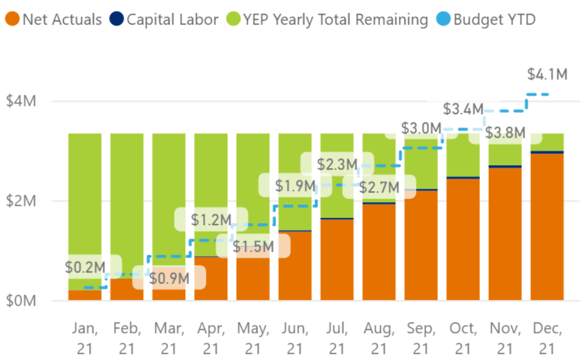
Budget Versus Actuals

EB6 - PP Cultural Res QBR Year-to-Date December, 2021

Operating Unit: EB - Power Production

Department: EB6 - PP Cultural Res

Capital Labor & Net Actuals YTD Vs. Year-End-Projections



Gross Actuals Vs. Budget

$3.0M -27.4%

Capital Labor Actuals Vs. Budget

$59.2K -82.4%

Net Actuals Vs. Budget

$2.9M -22.5%

Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	Budgeted	Actuals	Budget Var	Budget Var %	Consumed %
Labor	**$2,841,989**	**$2,465,809**	**-$376,180**	**-13.2%**	**86.8%**
Salaries & Wages	$1,621,989	$1,511,446	-$110,543	-6.8%	93.2%
Benefits	$1,160,018	$836,868	-$323,150	-27.9%	72.1%
Overtime	$30,975	$14,722	-$16,253	-52.5%	47.5%
Other Labor	$29,007	$102,773	$73,766	254.3%	354.3%
Purchased Services	**$978,230**	**$474,413**	**-$503,816**	**-51.5%**	**48.5%**
G&A	**$288,240**	**$10,404**	**-$277,836**	**-96.4%**	**3.6%**
Operating Materials & Equipment	**$14,000**	**$39,550**	**$25,550**	**182.5%**	**282.5%**
IT		**$2,306**			
Transportation		**$93**			
Total	**$4,122,459**	**$2,992,575**	**-$1,129,884**	**-27.4%**	**72.6%**

- Capital Labor is a subset of the Labor above

- Net Actuals vs Budget = Gross Actuals minus Capital Labor

Employee Activity

EB6 - PP Cultural Res QBR Year-to-Date December, 2021

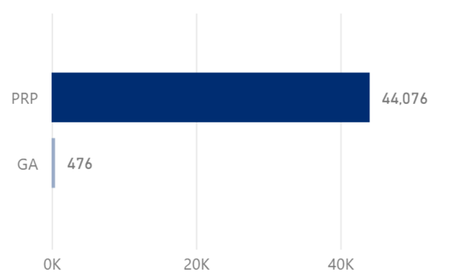
Operational Unit

EB - Power Production

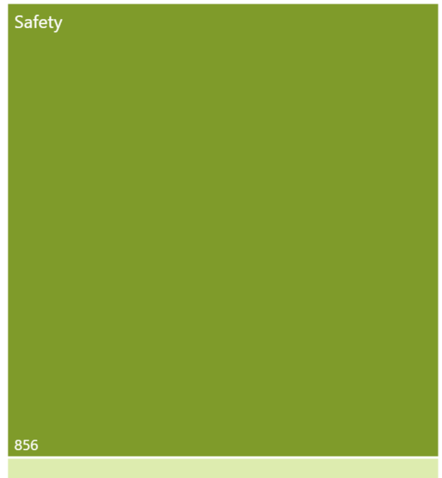
Department

EB6 - PP Cultural Res

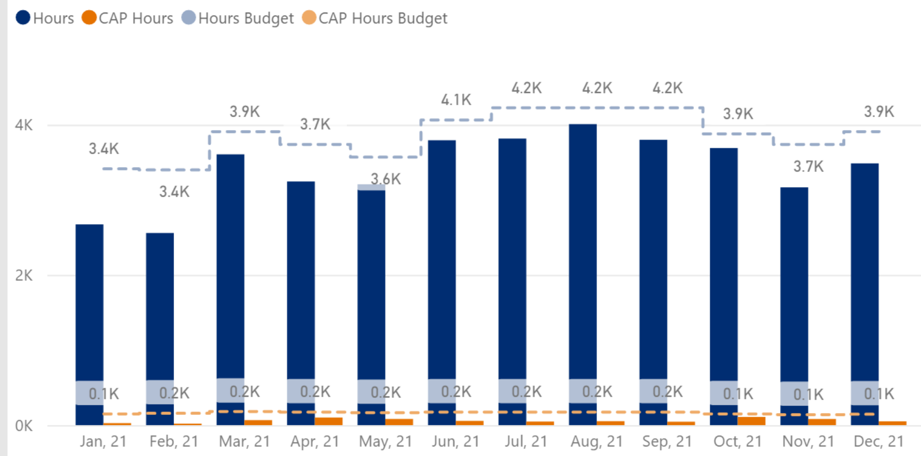
Hours by System



Hours by Program

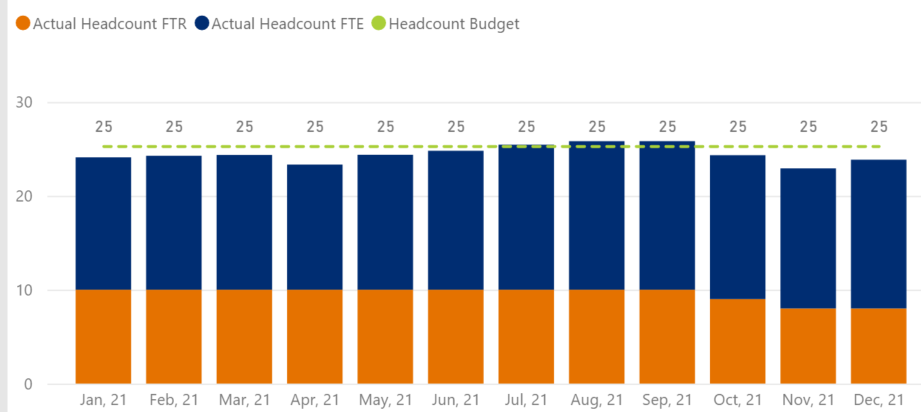


Hours and CAP Hours Vs. Budgets



Hours by Initiative

Headcount and Budget by Month & Year



2021 Q4/1 Forecast

- Questions?

Fish, Wildlife and Water Quality Business Unit

Grant PUD Commission Meeting

March 8, 2022

Operate Responsibly by Attaining Environmental, Cultural Resource and Regulatory Compliance

Grant PUD

Powering our way of life.

Purpose & Goal

The Fish and Wildlife Business Unit uses technology, innovation, strategic thinking, good stakeholder relations and skilled negotiations to ensure we are achieving compliance with our Natural Resources regulatory requirements in a safe, cost efficient and biologically sound manner while helping to maintain the long-term financial health of the District.

2022 Safety Culture

- ❖ **No Recordable Incident;**

- ❖ **Job Site Briefs = 24**
- ❖ **Job Site Reviews = 0 (Currently at 0%)**
  - ❑ **Goals = 10%; Stretch Goal = 15-20%**

- ❖ **Overall Safety Meeting Attendance (2021) = 96%**
- ❖ **Overall Safety Meeting Attendance (2022) = 100%**

- ❖ **Training Status Completion Rate = 98%**

- ❖ **Work Tasks**
  - ❑ **Juvenile white sturgeon testing & tagging**
  - ❑ **White Sturgeon Broodstock Collection – McNary Dam**
  - ❑ **White Sturgeon Juvenile population assessment**
  - ❑ **Video Fish Counting**
  - ❑ **Vegetation Management**
  - ❑ **Fish Predator Control/USDA Angling**
  - ❑ **Off Ladder Adult Fish Trap**
  - ❑ **Fall Chinook Collection in Hanford Reach**
  - ❑ **Priest Rapids Hatchery Spawning/Monitoring & Evaluation**
  - ❑ **Priest Rapids Hatchery Operations**



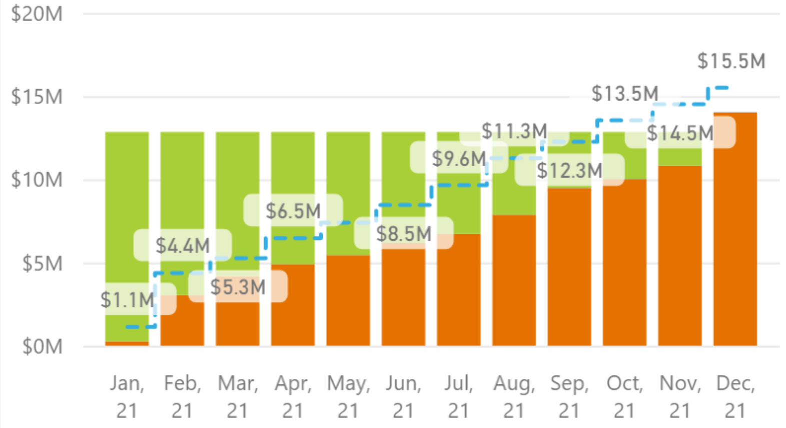

Budget Versus Actuals

EB42 - PP FW QBR Year-to-Date December, 2021

Operating Unit: EB - Power Production

Section: EB42 - PP FW

Capital Labor & Net Actuals YTD Vs. Year-End-Projections



Gross Actuals Vs. Budget

$14.0M -9.6%

Capital Labor Actuals Vs. Budget

$10.6K -94.0%

Net Actuals Vs. Budget

$14.0M -8.6%

Budget vs Actuals (Including Cap Labor)

Cost Category Type/Cost Category	Budgeted	Actuals	Budget Var	Budget Var %	Consumed %
Purchased Services	**$9,960,490**	**$9,021,054**	**-$939,436**	**-9.4%**	**90.6%**
G&A	**$2,409,106**	**$2,150,142**	**-$258,964**	**-10.7%**	**89.3%**
Labor	**$2,257,737**	**$2,301,700**	**$43,963**	**1.9%**	**101.9%**
Salaries & Wages	$1,411,862	$1,462,224	$50,362	3.6%	103.6%
Benefits	$795,464	$783,248	-$12,216	-1.5%	98.5%
Other Labor	$45,611	$47,084	$1,473	3.2%	103.2%
Overtime	$4,800	$9,144	$4,344	90.5%	190.5%
Operating Materials & Equipment	**$863,971**	**$480,571**	**-$383,400**	**-44.4%**	**55.6%**
Utilities	**$8,400**	**$49,927**	**$41,527**	**494.4%**	**594.4%**
IT		**$9,009**			
Risk		**$0**			
Transportation		**$3,500**			
Total	**$15,499,704**	**$14,015,904**	**-$1,483,800**	**-9.6%**	**90.4%**

O&M Underspending Overview

- ✓ Hatchery O&M and M&E Programs
  - Leveling PIT-Tag Purchases
  - Reimbursement from USCOE Hatchery Production at PR Hatchery

- Capital Labor is a subset of the Labor above

- Net Actuals vs Budget = Gross Actuals minus Capital Labor

Employee Activity

EB42 - PP FW QBR Year-to-Date December, 2021

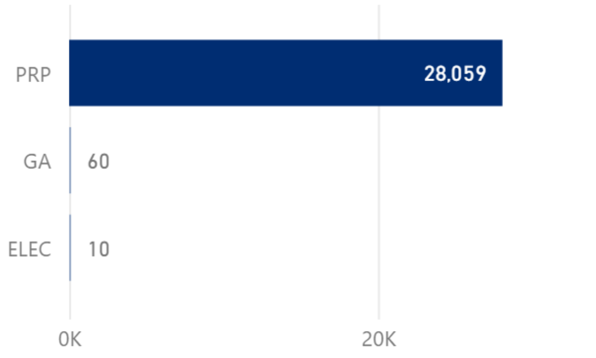
Operational Unit

EB - Power Production

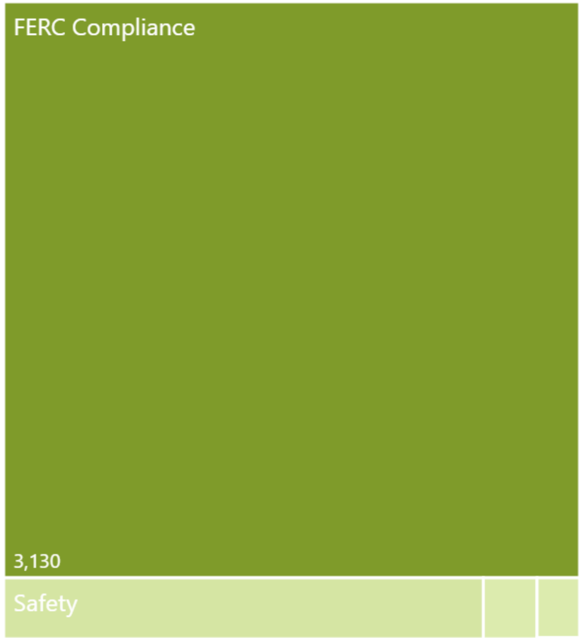
Section

EB42 - PP FW

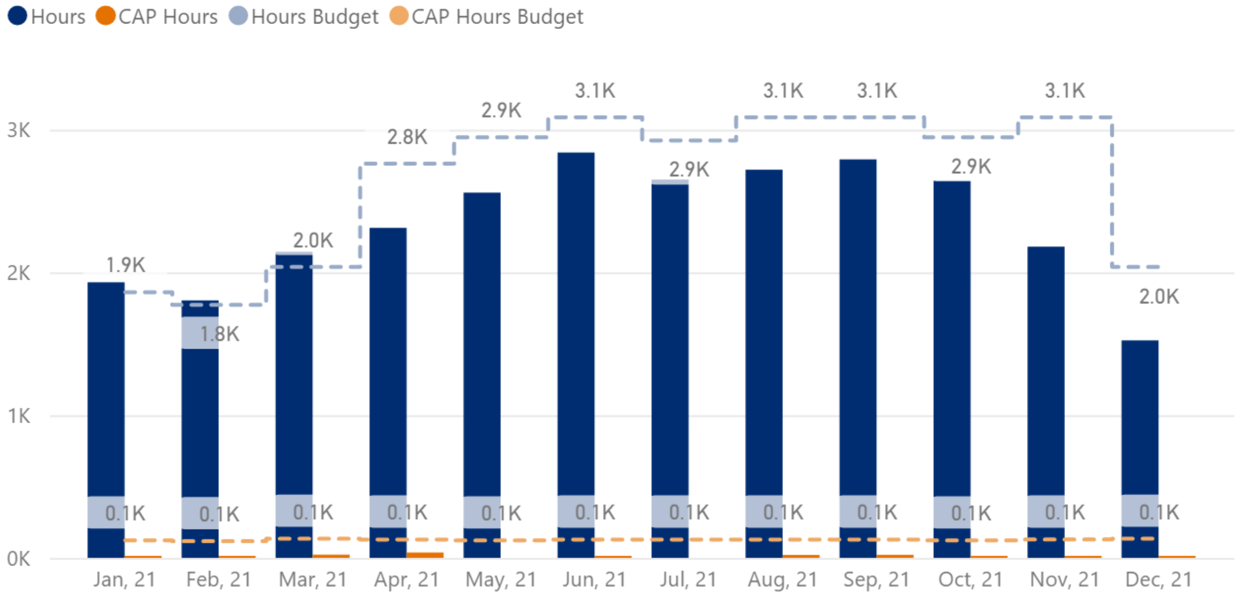
Hours by System



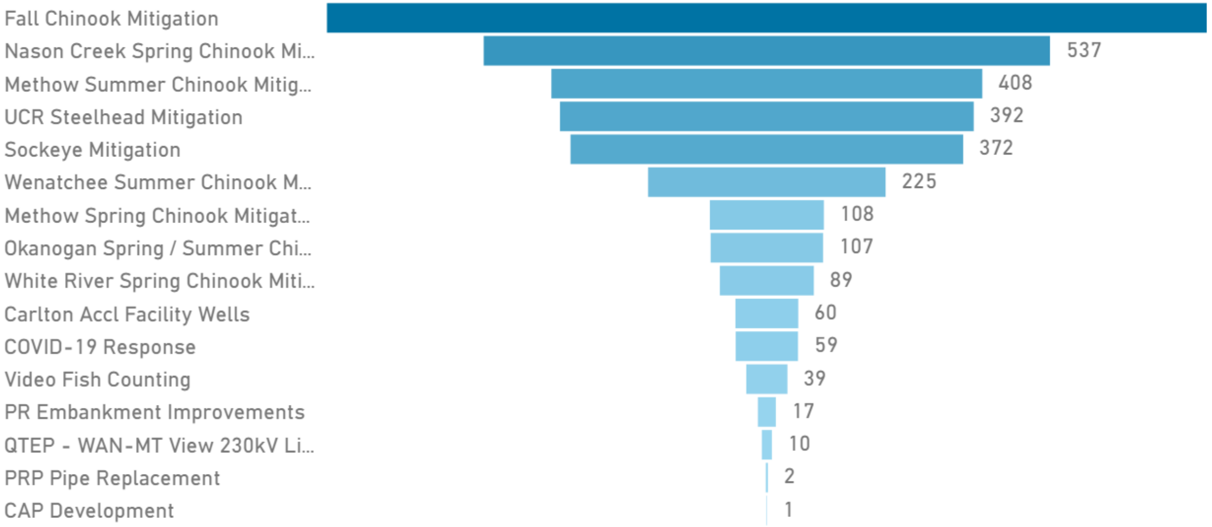
Hours by Program



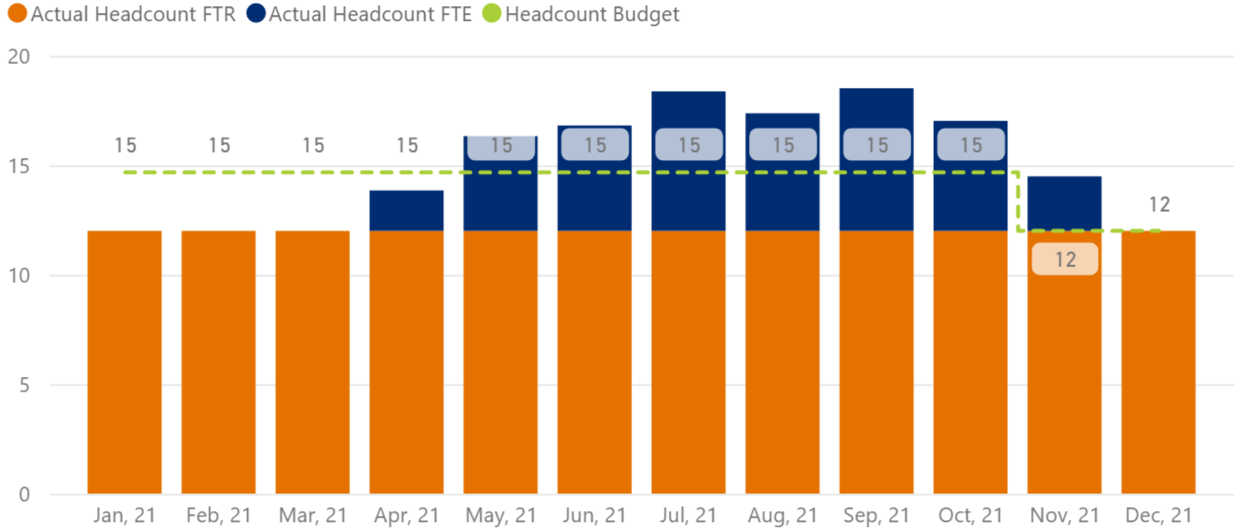
Hours and CAP Hours Vs. Budgets



Hours by Initiative



Headcount and Budget by Month & Year

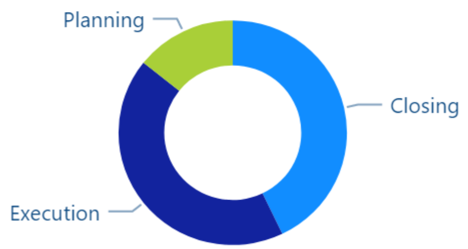


Capital Budget Versus Actuals

EB42 - F&W QBR Year-to-Date Jan, 2022

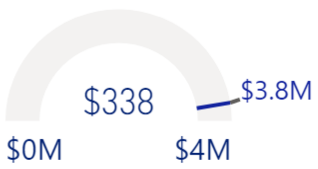
Initiative ID	Name	CY Scope	CY Schedule	CY Price	CY Variance	TP Scope	TP Schedule	TP Price	TP Variance
IN196	Carlton Accl Facility Wells.xlsm	$0	$0	$0	($7,074)	$0	$0	$0	($7,074)
IN198	Video Fish Counting.xlsm	$0	$0	$0	$0	$0	$0	$0	($16,619)
IN292	Tumwater Dam Fishway.xlsm	$0	$0	$0	$0	$0	($113,000)	$0	($113,000)
IN294	Wells Hatchery Modernization.xlsm	$46,303	$0	$46,303	$92,606	$46,303	$0	$46,303	$92,606
IN295	Saint Mary's Acclimation Facility Building.xlsm	$0	$0	$0	$0	$0	($6,000)	$0	($6,000)
IN364	Methow Hatchery ILA.xlsm	$33,658	$0	$0	$33,658	$33,658	$0	$0	$33,658
IN375	Eastbank Hatchery ILA.xlsm	$0	($325,572)	$0	($325,572)	$0	$0	$0	$0
Total		**$79,961**	**($325,572)**	**$46,303**	**($206,382)**	**$79,961**	**($119,000)**	**$46,303**	**($16,429)**

Project Phase



Project Type

YTD Actuals



Initiative ID	Name	CY Approved Spend	CY Actuals	BOY Fx	CY YEP
IN196	Carlton Accl Facility Wells.xlsm	$2,800,712	$338	$2,793,300	$2,793,638
IN198	Video Fish Counting.xlsm	$0	$0	$0	$0
IN292	Tumwater Dam Fishway.xlsm	$0	$0	$0	$0
IN294	Wells Hatchery Modernization.xlsm	$15,124	$0	$107,730	$107,730
IN295	Saint Mary's Acclimation Facility Building.xlsm	$0	$0	$0	$0
IN364	Methow Hatchery ILA.xlsm	$165,131	$0	$198,789	$198,789
IN375	Eastbank Hatchery ILA.xlsm	$979,914	$0	$654,342	$654,342
Total		**$3,960,881**	**$338**	**$3,754,161**	**$3,754,499**

Capital Project Overview

- ✓ Carlton Acclimation Facility
  - Domestic and Production Well
- ✓ Wells & Methow Hatchery (Douglas PUD – Interlocal Agreement)
  - Housing for Hatchery Staff
- ✓ Eastbank Hatchery (Chelan PUD – Interlocal Agreement)
  - Facility Upgrades (reuse and pump buildings replacement)
  - Safety fixes (Tumwater)

Carlton Acclimation Facility

❖ **Carlton Acclimation Intake Structure**

<u>Issue</u>: Methow River migrating away from water intake structure. Issue typically occurs if a cold snap hits in late Feb/early March facility can be left with no to very little river water for fish acclimation.

✓ **<u>Alternatives Analysis Completed (2018-2019)</u>**
- ➢ Five different Options
- ➢ Estimates did not include Mitigation Costs or Internal Labor
- ➢ **Install additional Production & Domestic wells**

✓ **<u>Many Challenges Along the way</u>**
- ➢ Low number of bidders
- ➢ Bids greater than engineers' estimates (>15%)
- ➢ Substantial escalated costs in labor, materials and supplies

✓ **<u>Current Status</u>**
- ➢ Staff working on getting project ready for bid (end Feb/early March 2022)



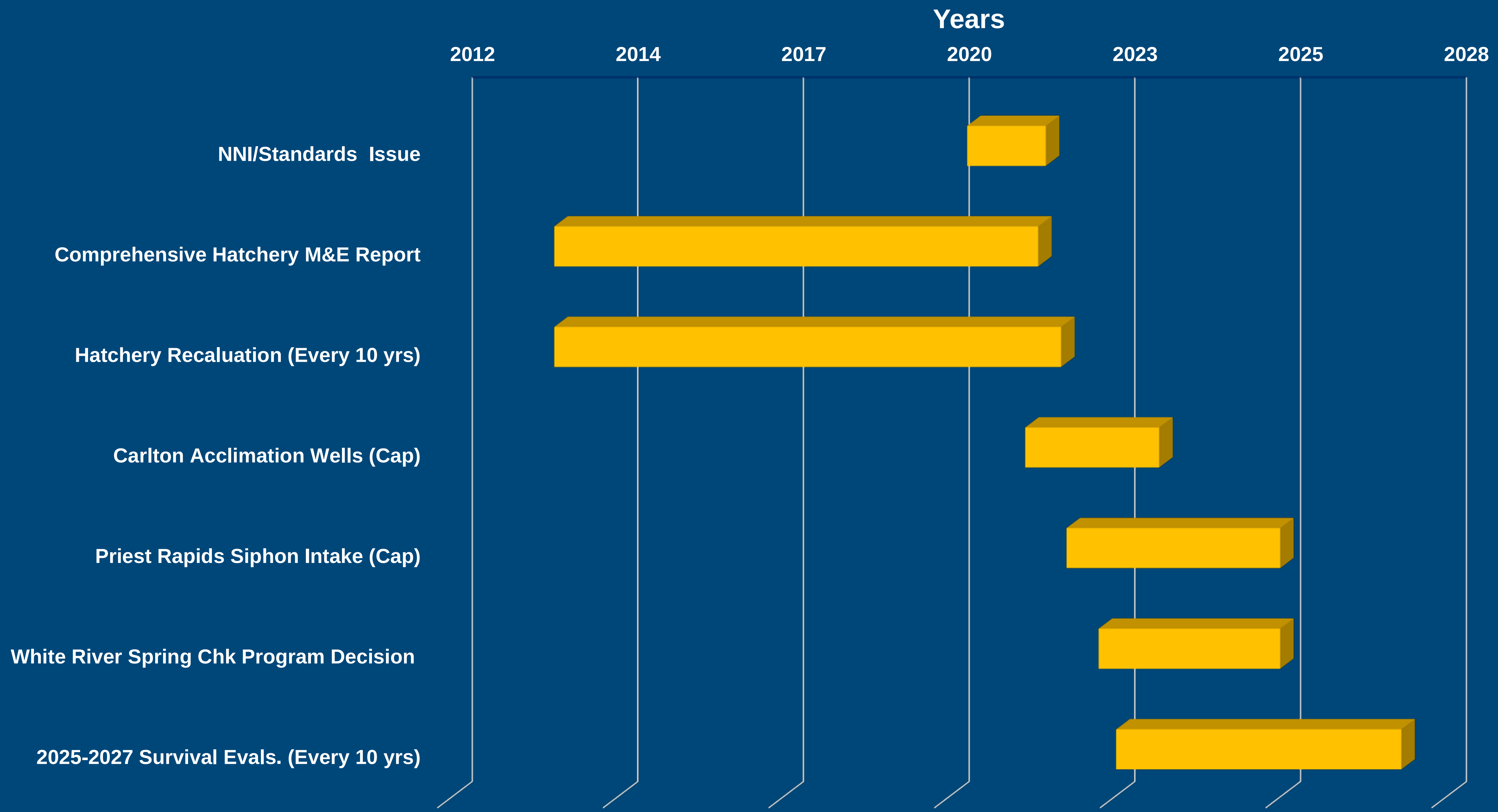
Upcoming Contracts

- Nason Creek Acclimation Facility O&M
  - 430-3835 expires 6/30/2022 (5/7/2014-6/30/2022).
  - NTE = $1,603,684.53.
  - Current Contractor - WDFW

- Wenatchee & Methow Hatchery Monitoring and Evaluation (Spring Chinook)
  - 430-3797 expires 12/31/2022 (5/25/2014-12/31/2022).
  - NTE = $3,779,548.80.
  - Current Contractor - WDFW

- Methow Hatchery Monitoring and Evaluation (Summer Chinook)
  - 430-3892 expires 12/31/2022 (7/22/2016-12/31/2022).
  - NTE = $965,105.00.
  - Current Contractor – BioAnalysts

2022-2028 Major Initiatives



2022+ Business Challenges

- Clarification of Performance Standards by NOAA Fisheries.
- 10 Year Hatchery Monitoring and Evaluation Report.
- Hatchery Re-Calculation.
- Sockeye Statement of Agreement.
- Resolve issues related to summer subyearling Chinook requirements.
- Bid, Award and Complete domestic and production wells at the Carlton Acclimation Facility.
- Begin planning on Priest Rapids Hatchery Siphon Intake.
- Complete Preventative Maintenance Plans for Hatchery facilitates.
- Maintain balance between meeting compliance, stewardship and budget requirements.
- Develop and Maintain external stakeholder relationships.
- Succession Planning and Employee Retention.

Powering our way of life.

Power Production

McKay and Sposito Change Order
New Construction Inspection Contract

Grant PUD

Powering our way of life.

Contract History

Contract Awarded in 2011 to Support new Operating License Construction Projects: Fish Bypass, Priest Rapids Hatchery, Fish Acclimation Sites, Recreation Sites, and Others

In 2018, McKay & Sposito was Chosen to Provide Construction Management and Inspection Services for PRREIP

PRREIP

100% Design Rendering

Regulatory Oversight

FERC and Board of Consultant Oversight

Quality Control and Inspection Program

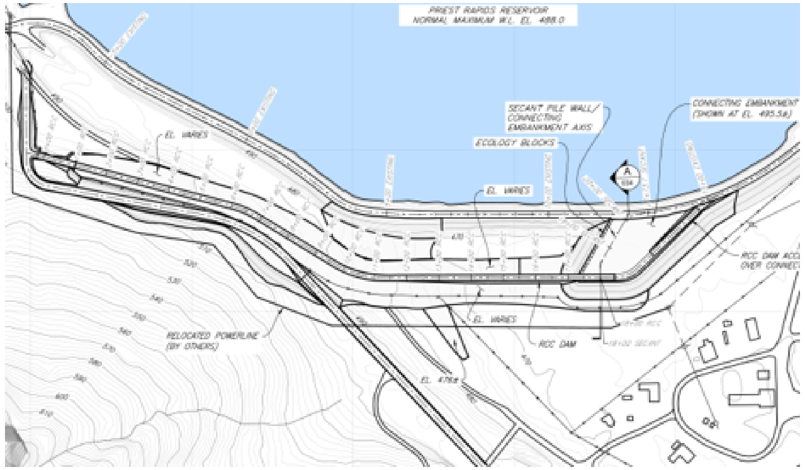
QUALITY CONTROL INSPECTION PROGRAM

for the

PRIEST RAPIDS HYDROELECTRIC PROJECT
FERC NO. 2114
PRIEST RAPIDS DEVELOPMENT

CONSTRUCTION OF THE
PRIEST RAPIDS RIGHT EMBANKMENT IMPROVEMENT PROJECT

December 2021



Grant County
PUBLIC UTILITY DISTRICT
Excellence in Service and Leadership

Causes for Delay

- Delayed FERC approval of the Draft Final Environmental Assessment (EA).
  - DOE would not issue permission to use the Martinez Road until FERC approval of EA.
  - DOE requested revision of EA based on comment regarding road repair/replacement. District had to amend EA.
  - After receipt of Final EA, District understood permission to use Cow Creek Quarry aggregate source to take ~60 days. After Army reviewed their process, District was informed process would take ~16 months.
- Commercial aggregate source secured via Change Order 10.
- Upon approval of aggregate source, District directed IMCO to re-engage with Suppliers and Subcontractors to quantify project impacts.
- Project restarted on October 2021.

24/7 Coverage - Current Staffing

McKay and Sposito Staff

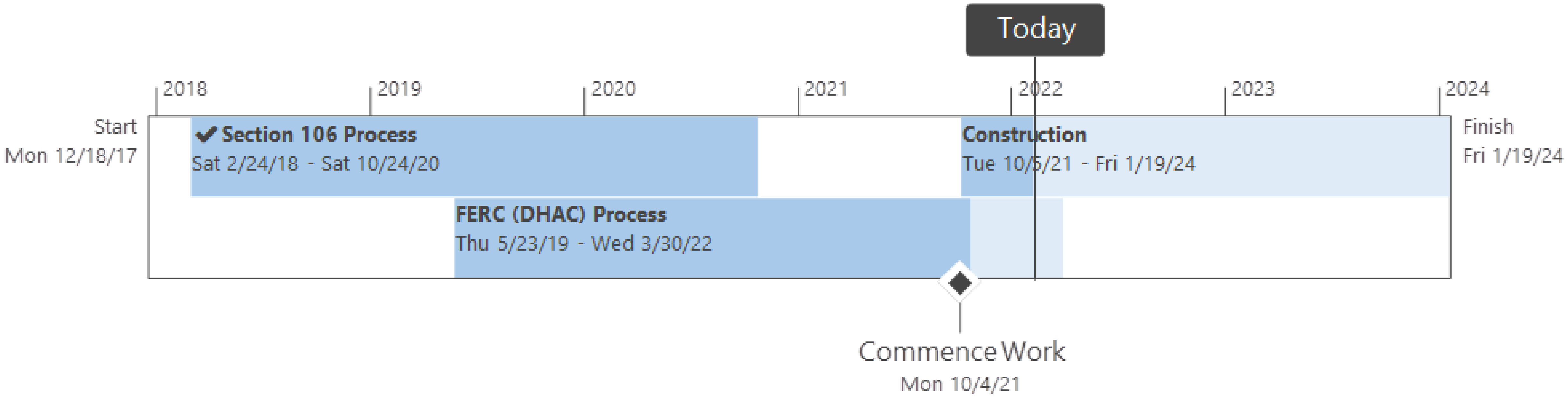
District Staff








Current Project Schedule and Work Schedule



Benefits of McKay and Sposito Contract

MSI Construction Manager Has Been on the Project since 2020.

MSI Staff are Included in FERC Required Quality Control and Inspection Program (QCIP)

MSI is Providing Terrific Support to the District

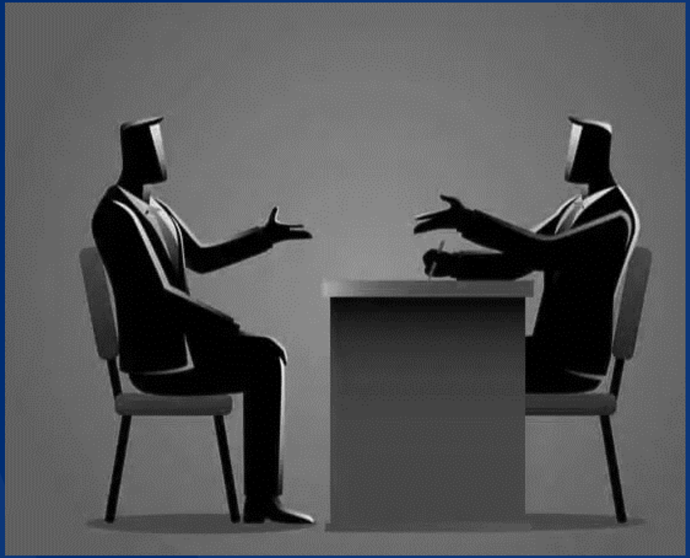
Change Order Summary

	ST Hours	OT Hours	Cost	Reimburseable	
Construction Manager	4,280	1,070	$ 785,000	$ 167,000	
Five Construction Inspectors	21,400	6,420	$ 2,600,000	$ 571,000	
Concrete Testing Subcontractor			$ 572,634.13		
Drone Services			$ 150,000.00		
			$ 4,074,500	$ 738,000	
			$ 4,845,634.13	Total	
			900,000	Previous Contract Amount	
			$ 3,945,634.13	Change Order Amount	

Rate Comparison

Current Contract Rates were Compared to Other District Contracts

MSI Rates are Competitive



Considerations

Full MSI Staff Turnover - Estimate a 5-month Delay at a Project Standby Rate of $15,000 a day

Cost for McKay and Sposito Inspection Service in Current Approved Budget

Limited District Staff Resources

Weekend and Night Coverage Needed

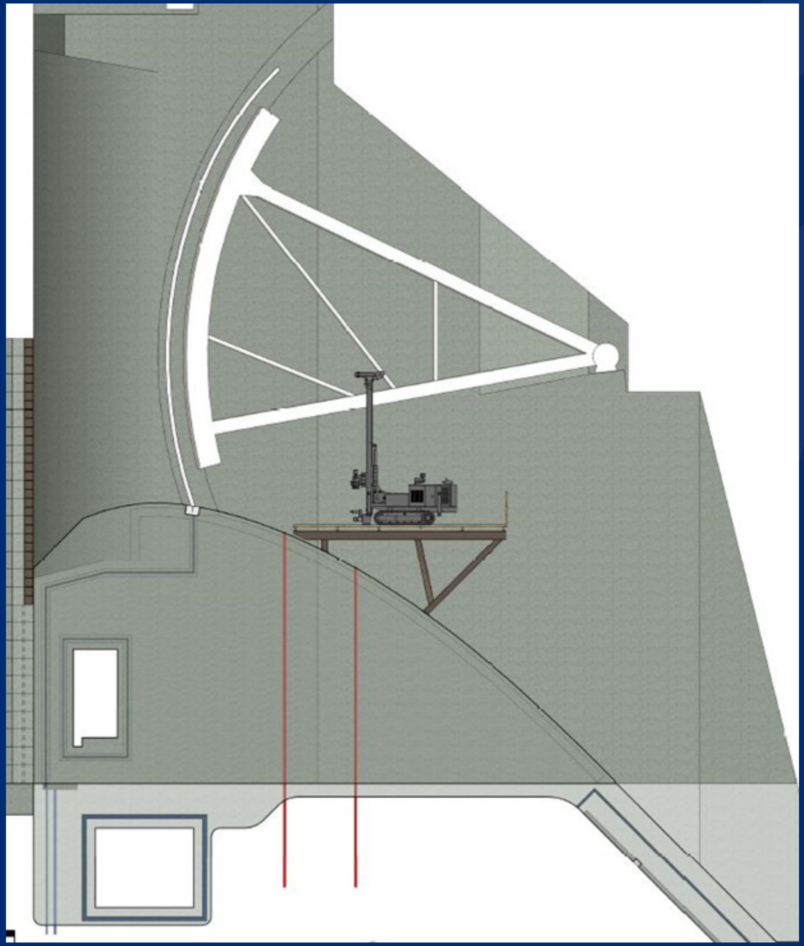
Recommendation

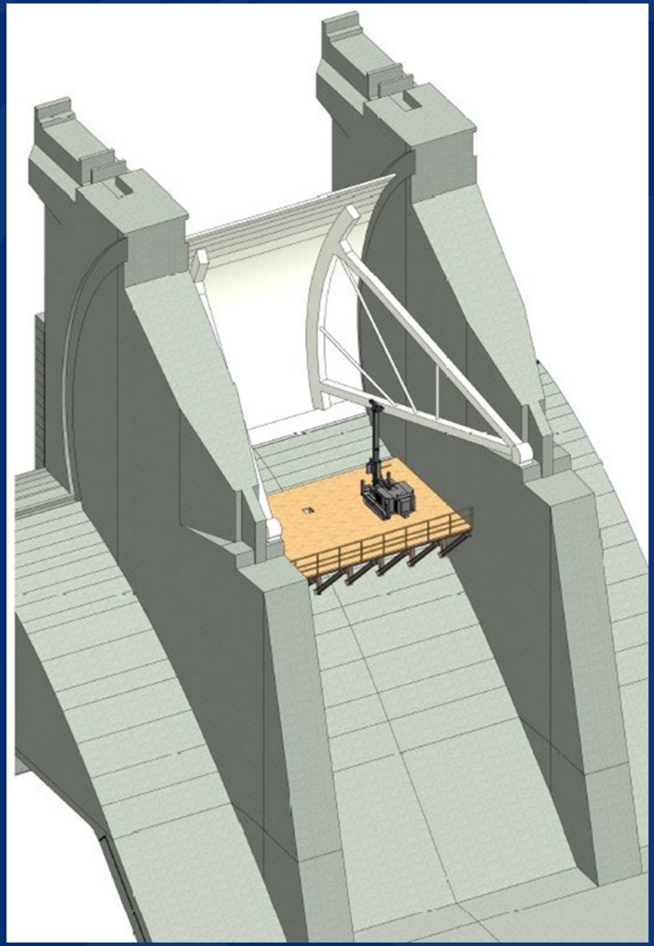
Proceeding with CO7 is in the best interest of the District and the Wanapum. It will allow us to continue this Dam Safety Project without further delays.

Approval is recommended.

Future construction inspection support will be provided with a new RFP and Contract.

RFP for New Contract for Future Construction Projects





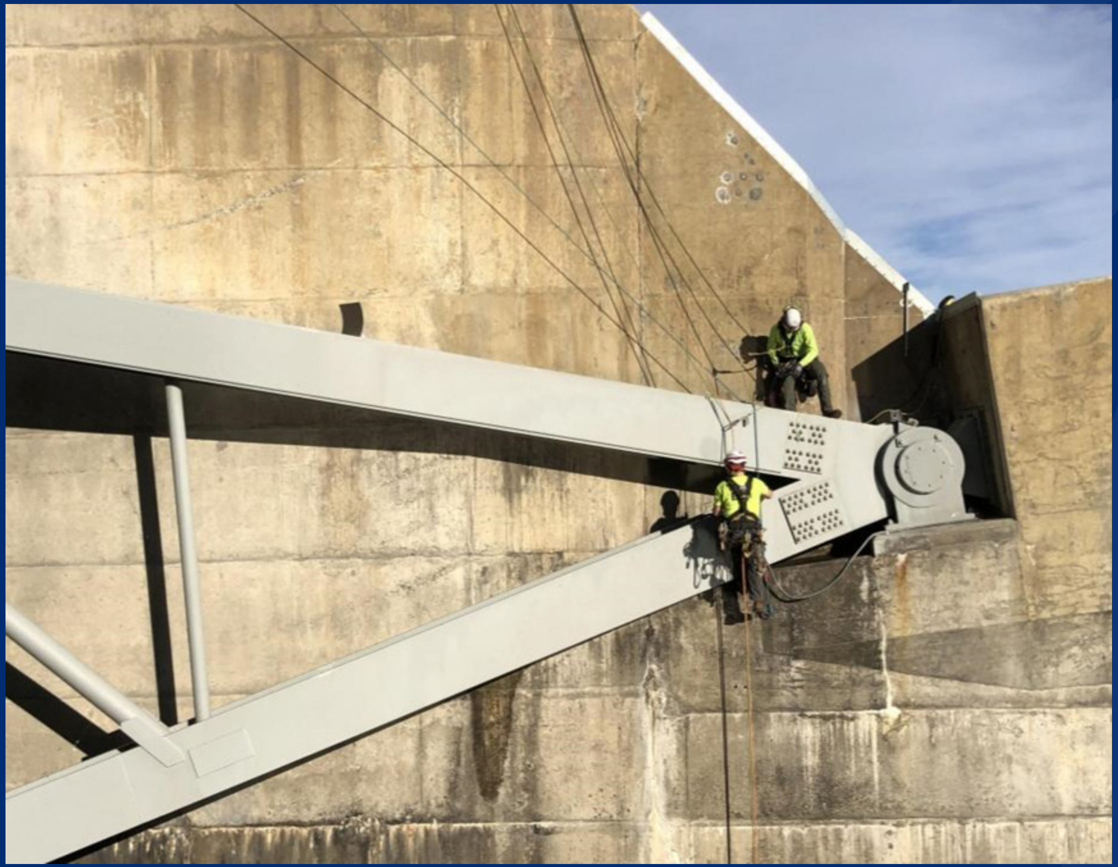
Historical Benefits of This Contract

Flexible, Qualified, Cost-Effective

Excellent Response Times

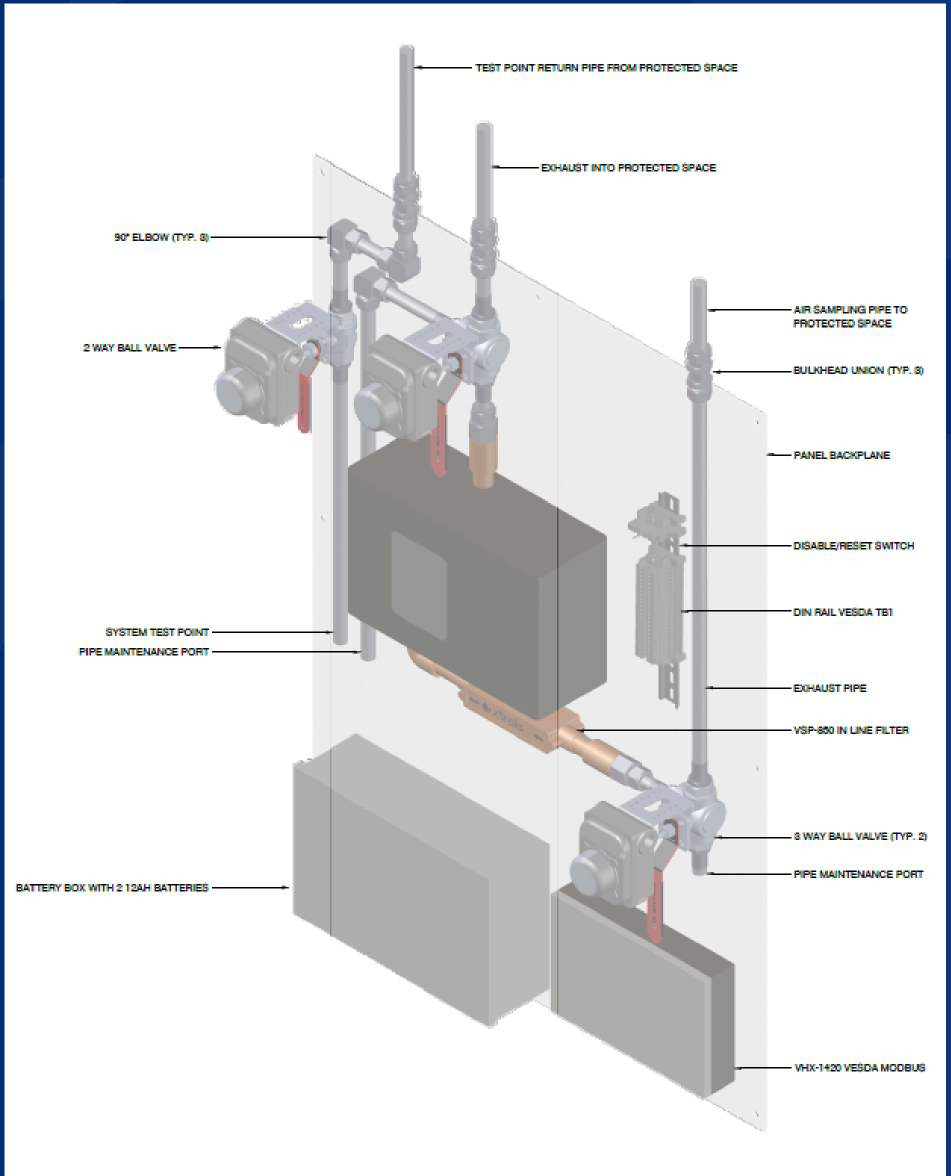
Roster of Inspectors who are familiar with District Facilities

Upcoming Projects Within Next 5 Years

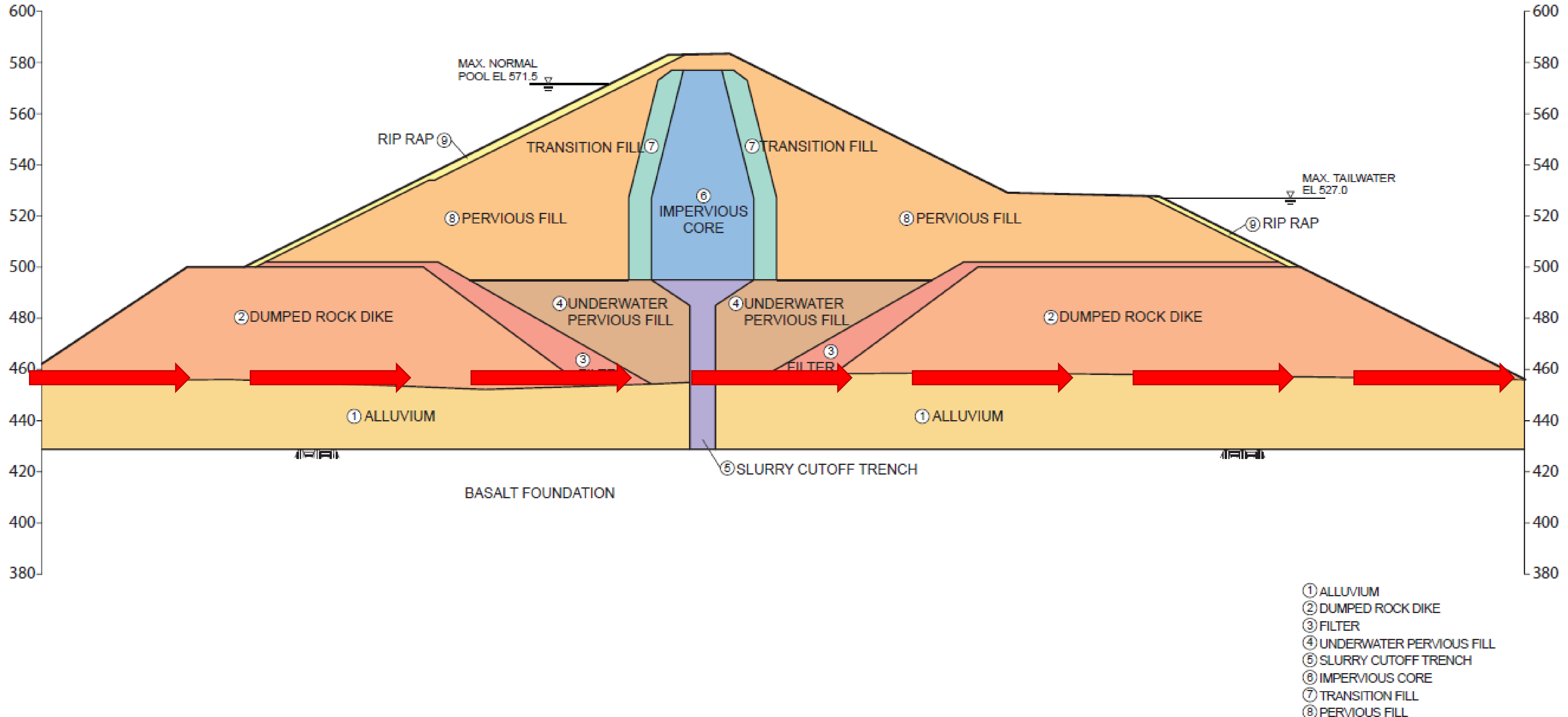


Station Service Substation Project

Fire Suppression Upgrades



WAN RCS Cross Section



Potential Dam Safety Projects

- Wanapum Dam River Closure Section Remediation
- Priest Rapids Dam Left Embankment Internal Erosion Remediation
- Tainter Gate Seismic Upgrades
- Spillway Pier Seismic Retrofit
- Spillway Bridge Deck Seismic Retrofit

Recommendation

Proceeding with a New Construction Inspection Contract (2 Million NTE) is in the best interest of the District.

Approval is recommended.

Grant PUD

Powering our way of life.