

**A G E N D A**  
**GRANT COUNTY PUBLIC UTILITY DISTRICT**  
**30 C Street SW – Commission Meeting Room**

**Ephrata, Washington**  
**COMMISSION MEETING**  
**Tuesday, July 9, 2024**

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

- 8:30 a.m.**      Executive Session
- 9:00 a.m.**      Commission Convenes  
Review and Sign Vouchers  
Calendar Review
- 9:30 a.m.**      Reports from staff
- 12:00 Noon**      Lunch
- 1:00 p.m.**      Safety Briefing  
Pledge of Allegiance  
Attendance  
Public requests to discuss agenda items/non-agenda items  
Correspondence – *(Does not include anonymous letters)*  
Business Meeting

**1. Consent Agenda**

Approval of Vouchers

Meeting minutes of June 25, 2024

**2. Regular Agenda**

9056 – Resolution of the Commission of Public Utility District No. 2 of Grant County, Washington, Authorizing the Issuance and Sale of One or More Series of the District’s Priest Rapids Hydroelectric Project Junior Lien Revenue Bonds, in the Aggregate Principal Amount of not to exceed \$350,000,000.00 to Finance Improvements to the District’s Priest Rapids Hydroelectric Project; and Delegating Authority to Approve the Final Terms of Each Series of Bonds.

9057 – Resolution Accepting a Bid and Awarding Contract 170-11949, for Supplying Pole Mounted Distribution Transformers.

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

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

XXXX – Resolution Amending Grant PUD’s Rate Schedule 100.

XXXX – Resolution Amending Grant PUD’s Rate Schedule 120.

Motion authorizing the creation of a new restricted fund and the transfer of the Cap and Investment Auction of Climate Commitment Act (CCA) Credits received to date out of the R&C fund and recorded in the newly created fund. Furthermore, this motion authorizes any future proceeds received from the Climate Commitment Act Auctions to also be placed in the new fund going forward. (xxxx)

Motion authorizing Interlocal Agreement 130-12389 with Washington State Department of Commerce, providing Grant PUD with grant funding in the amount of \$1,100,000.00 to participate in the Home Electrification and Appliance Rebates (HEAR) Program (Commerce Contract no. 24-92701-018. (xxxx)

### **4. Reports from Staff (if applicable)**

**Adjournment**

# **CONSENT AGENDA**

# Draft – Subject to Commission Review

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

June 25, 2024

The Commission of Public Utility District No. 2 of Grant County, Washington, convened at 8:30 a.m. at Grant PUD's Main Headquarters Building, 30 C Street SW, Ephrata, Washington and via Microsoft Teams Meeting / +1 509-703-5291 Conference ID: 614 157 417# with the following Commissioners present: Tom Flint, President; Terry Pyle, Vice-President; Larry Schaapman, Secretary; Judy Wilson, Commissioner and Nelson Cox, Commissioner.

An executive session was announced at 8:30 a.m. to last until 8:55 a.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g), to discuss pending litigation pursuant to RCW 42.30.110(1)(i) and to discuss lease or purchase of real estate if disclosure would increase price pursuant to RCW 42.30.110(1)(b). The executive session concluded at 8:55 a.m. and the regular session resumed.

The Commission recessed at 9:00 a.m.

The Commission resumed at 9:30 a.m.

Casey Raab, Apprenticeship & Workforce Development; Ron Alexander, Director of Power Delivery, gave a Recognition to the Apprenticeship group.

A round table discussion was held regarding the following topics: concern regarding the number of out-of-state remote employees; concern regarding availability of local offices; taskforce formation update.

John Price, Senior Safety Coordinator, provided the Safety Report.

Craig Bressan, Senior Manager of Safety, gave the Safety Health and Improvement Plan Programmatic Report.

Thomas Stredwick, Senior Manager of Employee Experience, gave the Employee Experience Report.

The Commission convened to review vouchers.

The Commission calendar was reviewed.

An executive session was announced at 11:50 a.m. to last until 12:55 to review performance of a public employee with legal counsel present pursuant to RCW 42.30.110 (1)(g) and to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i). The announcement was made in error. The Commission continued in regular session at 263 Basin St NW, Ephrata, WA 98823 for a working lunch with WPUDA staff members. At approximately 1:10 p.m. the meeting resumed at Grant PUD's Main Headquarters Building.

The Commission reviewed correspondence.

Consent agenda motion was made by Commissioner Wilson and seconded by Commissioner Schaapman to approve the following consent agenda items:

Payment Number	144069	through	144410	\$27,679,135.17
Payroll Direct Deposit	239528	through	240361	\$2,602,735.94
Payroll Tax and Garnishments	20240612A	through	20240612B	\$1,130,789.45

Meeting minutes of June 11, 2024.

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

Resolution No. 9055 relative to amending conservation potential and target pursuant was presented to the Commission. Motion was made by Commissioner Cox and seconded by Commissioner Pyle to approve Resolution No. 9055. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9055

A RESOLUTION AMENDING GRANT PUD'S WASHINGTON 2024 10-YEAR CONSERVATION POTENTIAL AND TWO-YEAR CONSERVATION TARGET PURSUANT TO RCW CHAPTER 19.285 AND SUPERSEDING RESOLUTION 9037

Recitals:

1. Grant PUD has previously established a 2024 10-year conservation potential plan and two-year conservation target pursuant to Resolution No. 9037;
2. Grant PUD desires to update its 2024 ten-year conservation potential plan and two-year conservation target; and
3. A legal advertisement will be published in local newspapers notifying customers of noticed public hearing to be held on August 11, 2024 regarding Grant PUD's efforts to amend the 2024 ten-year conservation potential plan and two-year conservation target.

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

Section 1. Grant PUD has established the amended ten-year conservation potential plan of 140,072 MWH and two-year conservation target of 17,520 MWH.

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

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

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

Section 5. Resolution No. 9037 is hereby superseded.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 25th day of June, 2024.

Motion was made by Commissioner Cox and seconded by Commissioner Pyle authorizing the General Manager/CEO to execute Change Order No. 6 to Contract 430-10804 with Universal Protection Services, LP dba Allied Universal Security Services, increasing the not-to-exceed contract amount by \$3,000,000.00 for a new 2 -year extension to July 2, 2026 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. 6. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Commissioner Cox and seconded by Commissioner Schaapman authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-12331 with the Washington Department of Fish and Wildlife (WDFW), in an amount not-to-exceed \$4,162,831.00 and with a contract completion date of June 30, 2027. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Commissioner Cox and seconded by Commissioner Schaapman authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-12306 with the Washington Department of Fish and Wildlife (WDFW), in an amount not-to-exceed \$1,295,801.00 and

with a contract completion date of June 30, 2027. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

Jane Van Dyke, President; Liz Anderson, Executive Director; Nicolas Garcia, Policy Director; and Stefany Zelepuza, Senior Policy Specialist reported on behalf of Washington Public Utility District Association.

Lisa Stites, Lead Financial Analyst; Rich Flanigan, Senior Manager of Power Portfolio; John Mertlich, Chief Commercial Officer; Senior Power Supply Analyst, presented a 2024 Integrated Resource Plan.

Dave Ponozzo, Manager of Emergency Preparedness, gave the Integrated Operational Services report.

Chris Roseburg, Senior Manager of Operational Excellence; Holly Hakensen, Manager of Continuous Improvement Program, presented the Operational Excellence Report.

Trade association and committee reports were reviewed.

The Commission recessed at 3:00 p.m.

The Commission resumed at 3:10 p.m.

An executive session was announced at 4:25 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), to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and to discuss lease or purchase of real estate if disclosure would increase price with legal counsel pursuant to RCW 42.30.110(1)(b). The executive session concluded at 5:00 p.m. and the regular session resumed.

There being no further business to discuss, the June 25, 2024 meeting officially adjourned at 5:00 p.m. on June 25, 2024.

\_\_\_\_\_  
Tom Flint, President

ATTEST:

\_\_\_\_\_  
Larry Schaapman, Secretary

\_\_\_\_\_  
Terry Pyle, Vice President

\_\_\_\_\_  
Judy Wilson, Commissioner

\_\_\_\_\_  
Nelson Cox, Commissioner

# **REGULAR AGENDA**

*2024 Junior Lien Bond Resolution  
Priest Rapids Project*

PUBLIC UTILITY DISTRICT NO. 2 OF  
GRANT COUNTY, WASHINGTON  
RESOLUTION NO. XXXX

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF THE DISTRICT'S PRIEST RAPIDS HYDROELECTRIC PROJECT JUNIOR LIEN REVENUE BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$350,000,000 TO FINANCE IMPROVEMENTS TO THE DISTRICT'S PRIEST RAPIDS HYDROELECTRIC PROJECT; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF EACH SERIES OF BONDS.

PASSED \_\_\_\_\_, 2024

PREPARED BY:

PACIFICA LAW GROUP LLP  
Seattle, Washington



PUBLIC UTILITY DISTRICT NO. 2 OF  
GRANT COUNTY, WASHINGTON

Resolution No XXXX

		<u>Page</u>
Section 1.	Definitions.....	2
Section 2.	Findings.....	6
Section 3.	Authorization of Bonds; Payment; Registration and Transfer.....	7
Section 4.	Prepayment .....	7
Section 5.	Payment of the Bonds; Junior Lien Bond Fund; Security .....	8
Section 6.	Revenue Fund .....	8
Section 7.	Covenants.....	9
Section 8.	Additional Debt and Obligations .....	12
Section 9.	Sale of the Bonds .....	13
Section 10.	Disposition of Bond Proceeds; Project Account.....	14
Section 11.	Reporting Requirements .....	14
Section 12.	Form of Bonds .....	14
Section 13.	Execution of Bonds.....	14
Section 14.	Authorization to Officials and Agents .....	15
Section 15.	Miscellaneous .....	15
Section 16.	Effective Date of Resolution.....	15

Exhibit A: Form of Bond

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

RESOLUTION NO. XXXX

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF THE DISTRICT'S PRIEST RAPIDS HYDROELECTRIC PROJECT JUNIOR LIEN REVENUE BONDS, IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$350,000,000 TO FINANCE IMPROVEMENTS TO THE DISTRICT'S PRIEST RAPIDS HYDROELECTRIC PROJECT; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF EACH SERIES OF BONDS.

WHEREAS, Public Utility District No. 2 of Grant County, Washington (the "District"), owns and operates the Priest Rapids Development and the Wanapum Development, which in 2010 were consolidated into a single electric utility system known as the "Priest Rapids Hydroelectric Project" pursuant to Resolution No. 8475, for the generation and transmission of electric energy (as further defined herein, the "Priest Rapids Project"); and

WHEREAS, as part of the consolidation of the Priest Rapids Development and the Wanapum Development into the Priest Rapids Project, pursuant to Resolution No. 8475, the bond funds securing bonds payable from revenues of the separate developments were combined; and

WHEREAS, the District has issued and has outstanding certain senior parity lien obligations of the Priest Rapids Development, the Wanapum Development and the Priest Rapids Project described herein (as defined herein, the "Outstanding Parity Bonds"); and

WHEREAS, the resolutions authorizing the Outstanding Parity Bonds authorize the District to issue, from time to time, bonds and notes payable from and secured by a lien on revenues of the Priest Rapids Project junior and subordinate to the lien thereon of the Outstanding Parity Bonds; and

WHEREAS, pursuant to RCW 39.59.040, any local government in the state of Washington, including the District, may invest in "bonds of the state of Washington and any local government in the state of Washington," and pursuant to RCW 54.16.085 a public utility district may make and repay interfund loans between its funds; and

WHEREAS, it is in the best interest of the District to undertake, from time to time, certain improvements at the Priest Rapids Project (as further described herein, the "Improvements"); and

WHEREAS, in order to finance such Improvements, the District has issued certain junior lien revenue bonds of the Priest Rapids Project (as defined herein, the "Outstanding Junior Lien Bonds") and sold such junior lien bonds to the Electric System (as defined herein); and

WHEREAS, the resolutions authorizing the Outstanding Junior Lien Bonds authorize the District to issue, from time to time, bonds and notes payable from and secured by a lien on revenues of the Priest Rapids Project on a parity with the Outstanding Junior Lien Bonds; and

WHEREAS, the Priest Rapids Project is in need of additional capital to finance additional Improvements; and

WHEREAS, to provide additional financing for the Improvements, the Commission now deems it advisable to authorize the issuance of one or more series of Priest Rapids Hydroelectric Project Junior Lien Revenue Bonds (Taxable) in the aggregate principal amount of not to exceed \$350,000,000 (each a “Bond” and together, the “Bonds”), which shall be sold to the District’s Electric System on a parity of lien on revenues of the Priest Rapids Project with the Outstanding Junior Lien Bonds subject to the terms and conditions set forth in this resolution; and

WHEREAS, debt service schedules for the Bonds authorized herein will conform to the Power Sales Contracts (as defined herein);

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

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

“Additional Junior Lien Bonds” means any junior lien bonds issued on a parity of lien on Gross Revenues with the Bonds authorized hereunder.

“Annual Debt Service” has the meaning set forth in the resolutions authorizing the Parity Bonds then Outstanding.

“Bond” or “Bonds” means the Priest Rapids Hydroelectric Project Junior Lien Revenue Bond (Taxable) of the District issued from time to time pursuant to this resolution.

“Bond Fund” means the Priest Rapids Project Revenue Bond Fund created by the District for the purpose of paying the principal of and interest on the Parity Bonds.

“Bond Register” means the records kept by the Registrar on behalf of the District containing the name and mailing address of each owner of the Bonds, and such other information as the Registrar shall determine.

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

“Commission” means the general legislative authority of the District, as duly constituted from time to time.

“Coverage Requirement” means (a) 1.15 times the Annual Debt Service in a Fiscal Year, plus (b) any money required to be deposited into the reserve account in the Bond Fund and other payments required in that Fiscal Year, less (c) any amounts transferred into the Bond Fund or the Junior Lien Bond Fund as surplus money as of the end of the preceding Fiscal Year.

“Current Power Sales Contracts” means the contracts entered into in December 2001 between the District and other electric utilities for the sale of power and energy from the Priest Rapids Project and as such contracts have been and may be amended or supplemented from time to time.

“Designated Representative” means the General Manager/Chief Executive Officer, the Chief Financial Officer/Treasurer, and the Senior Manager of Treasury and Financial Planning/Deputy Treasurer and any successor to the functions of such offices. The signature of one Designated Representative shall be sufficient to bind the District.

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

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

“FERC License” means the license granted by the Federal Power Commission to develop the Priest Rapids site on the Columbia River, which development consisted of two stages designated the Priest Rapids Development and the Wanapum Development, as such license has been amended and may be amended from time to time.

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

“Future Parity Bonds” means any note, bonds or other obligations for borrowed money of the District which will have a lien upon the Gross Revenues of the Priest Rapids Project for the payment of the principal thereof and interest thereon equal to the lien upon the Gross Revenues of the Priest Rapids Project for the payment of the principal of and interest on the Outstanding Parity Bonds.

“Gross Revenue” means all income, revenues, receipts and profits derived by the District through the ownership and operation of the Priest Rapids Project, together with the proceeds received by the District directly or indirectly from the sale, lease or other disposition of any of the properties, rights or facilities of the Priest Rapids Project, and together with the investment income earned on money held in any fund or account of the District, including any bond redemption funds and the accounts therein and federal credit payments for interest on bonds, in connection with the ownership and operation of the Priest Rapids Project, exclusive of insurance proceeds and income derived from investments irrevocably pledged to the payment of any specific revenue bonds of the District, such as bonds heretofore or hereafter refunded, or any bonds defeased, or the payment of which is provided for, under any similar provision of any other bond resolution of the District, and exclusive of investment income earned on money in any arbitrage rebate fund established for any Parity Bonds.

“Improvements” mean those improvements to the Priest Rapids Project authorized by Section 3 of this resolution.

“Interest Rate” means the fixed rate or rates of interest on each Bond as approved by a Designated Representative.

“Interest Payment Date” for each Bond issued hereunder means January 1 and July 1, as provided for in such Bond.

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

“Junior Lien Bond Fund” means the fund created by the District for the purpose of paying the principal of and interest on the Junior Lien Bonds.

“Junior Lien Bonds” means the Outstanding Junior Lien Bonds, the Bonds and any Additional Junior Lien Bonds.

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

“Net Revenue” means, for any period, the excess of Gross Revenues over Operating Expenses for such period, excluding from the computation of Gross Revenues any profit or loss derived from the sale or other disposition, not in the ordinary course of business, of properties, rights or facilities of the Priest Rapids Project, or resulting from the early extinguishment of debt.

“Operating Expenses” means the District’s expenses for operation and maintenance of the Priest Rapids Project, and ordinary repairs, renewals of and replacements to the Priest Rapids Project, including payments into working capital reserves in the Revenue Fund for items of Operating Expenses the payment of which is not immediately required, and shall include, without limiting the generality of the foregoing, operation and maintenance expenses; rents; administrative and general expenses; engineering expenses; legal and financial advisory expenses; required payments to pension, retirement, health and hospitalization funds; insurance premiums; and any taxes, assessments, payments in lieu of taxes or other lawful governmental charges, all to the extent properly allocable to the Priest Rapids Project; and the fees and expenses of the Paying Agent and

Registrar. Operating Expenses shall not include any costs or expenses for new construction, interest, amortization or any allowance for depreciation.

“Outstanding” when used with respect to the Parity Bonds means, as of any date, any Parity Bonds issued pursuant to a resolution of the Commission except (i) any Parity Bonds cancelled by the bond register for such bonds or paid at or prior to such date, (ii) Parity Bonds in lieu of or in substitution for which other Parity Bonds have been delivered, and (iii) Parity Bonds deemed no longer outstanding under the resolution authorizing their issuance.

“Outstanding Junior Lien Bonds” mean the Junior Lien Bonds outstanding as of June 1, 2024, in the aggregate principal amount of \$659,360,000.00.

“Outstanding Parity Bonds” mean the Parity Bonds Outstanding as of the date of this resolution.

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

“Permitted Investments” means any investments or investment agreements permitted under the laws of the State, as amended from time to time.

“Power Sales Contracts” means the Current Power Sales Contracts, and any other contracts entered into by the District for the sale of power and energy from the Priest Rapids Project, and as such contracts may be amended and supplemented from time to time.

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

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

“Professional Utility Consultant” means the independent person(s) or firm(s) selected by the District having a favorable reputation for skill and experience with generation, transmission and distribution systems of comparable size and character to the Priest Rapids Project in such areas as are relevant to the purposes for which they are retained: (a) engineering and operations and (b) the design of rates.

“Project Account” means the special account of that name authorized to be created pursuant to this resolution.

“Purchaser” means the District, acting through its Electric System, an enterprise fund and utility system separate and distinct from the Priest Rapids Project.

“Registrar” means the Chief Financial Officer/Treasurer of the District.

“Revenue Fund” means the Priest Rapids Project Revenue Fund of the District.

“RR&C Fund” means the Priest Rapids Project Repair, Renewal and Contingency Fund created by the District.

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

“SEC” means the Securities and Exchange Commission.

“State” means the State of Washington.

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

## Section 2. Findings.

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

(b) *Due Regard.* The Commission hereby finds that due regard has been given to the cost of the operation and maintenance of the Priest Rapids Project and that it has not obligated the District to set aside into the Bond Fund for the account of the Parity Bonds or into the Junior Lien Bond Fund for the Junior Lien Bonds a greater amount of the revenues and proceeds of the Priest Rapids Project than in its judgment will be available over and above such cost of operation and maintenance and other costs payable from such revenues and proceeds.

(c) *Compliance with Parity Conditions.* The Commission hereby finds as required by the resolutions authorizing the issuance of the Outstanding Junior Lien Bonds that the Bonds authorized herein will be issued with a lien junior to the lien and charge of the Parity Bonds, and on a parity with the Outstanding Junior Lien Bonds. The Bonds will not be subject to acceleration.

(d) *Plan and System.* The public interest, welfare, convenience and necessity require that the District construct the capital improvements included in the District’s capital plans at the

Wanapum Development and Priest Rapids Development, as such plans may be amended, and other capital improvements (collectively, the “Improvements”). The Commission hereby specifies and adopts the Improvements as a plan and system for additions and betterments to the Priest Rapids Project.

(e) *Best Interests of the District.* The Commission hereby finds and determines that it is in the best interests of the District and its customers that the District from time to time issue the Bonds authorized herein for the purpose of financing costs of the Improvements.

Section 3. Authorization of Bonds; Payment, Registration and Transfer.

(a) *Authorization of Bonds.* For the purpose of providing funds to finance and/or reimburse the District for costs of the Improvements, the District hereby authorizes the issuance and sale from time to time of one or more series of subordinate lien revenue bonds of the Priest Rapids Project in the aggregate principal amount of not to exceed \$350,000,000 (each a “Bond” and together, the “Bonds”).

Each Bond shall be designated as “Public Utility District No. 2 of Grant County, Washington, Priest Rapids Hydroelectric Project Junior Lien Revenue Bond, [year of issuance] (Taxable),” shall be dated as of the Issuance Date for such Bond and shall mature on the Maturity Date for such Bond.

Each Bond shall bear interest at the applicable Interest Rate or Rates, as set forth in the Bond. Interest on each Bond shall be payable on the Interest Payment Dates and principal of each Bond shall be payable as set forth in the Bond. Interest on the Bond shall be computed on the basis of a 360-day year consisting of 12 months of 30 days each, except as otherwise provided for in the Bond. The principal of and interest on each Bond shall be payable from the Junior Lien Bond Fund as described herein.

(b) *Registration and Payment.* The Bonds shall be issued in fully registered form. Both the principal of and interest on the Bonds shall be payable in lawful money of the United States of America by check, warrant, wire transfer or automatic clearinghouse funds to the registered owner of the Bonds. All such payments shall be valid and shall satisfy and discharge the liability of the District upon such Bonds to the extent of the amount or amounts so paid.

The Registrar and paying agent for the Junior Lien Bond shall be the Chief Financial Officer/Treasurer or such officer’s designee.

If any Bond shall at any time become mutilated or be lost, stolen or destroyed, the District may execute and direct the Registrar to authenticate and deliver a new Bond.

(c) *Limited Offering; Transfer Limitations.* Anything herein to the contrary notwithstanding, each Bond issued under this resolution shall be purchased and held by the Electric System, as Purchaser, and shall not be publicly offered or sold to any other person. The Bonds shall not be transferrable.

Section 4. Prepayment. The Bond may be prepaid in whole or in part by the District at any time.



Section 5. Payment of the Bonds; Junior Lien Bond Fund; Security. The Junior Lien Bonds are special limited obligations of the District secured by the Gross Revenues and the money and assets credited to the Revenue Fund and the RR&C Fund, and the income therefrom, which Junior Lien Bonds shall have a lien on such Gross Revenues and such money and assets junior to the payments set forth in this resolution. For so long as the Junior Lien Bonds are outstanding, the District shall comply with the covenants set forth in this resolution.

The Junior Lien Bonds are payable solely out of a special fund of the District previously established and designated as the Priest Rapids Hydroelectric Project Junior Lien Bond Fund (the “Junior Lien Bond Fund”). Amounts on deposit in the Junior Lien Bond Fund shall be drawn upon only for the purpose of paying the principal of and interest on the Junior Lien Bonds on a ratable basis as such amounts become due and payable.

The District hereby covenants that on or before each interest or principal and interest payment date for the Junior Lien Bonds it will deposit in the Junior Lien Bond Fund amounts out of the Revenue Fund as shall be necessary, when added to other amounts paid into the Junior Lien Bond Fund, to pay the interest and principal due on the Junior Lien Bonds as the same becomes due.

There is no debt service reserve, other reserve fund or credit enhancement securing repayment of the Bonds. The Bonds shall not constitute a general obligation or pledge of the faith and credit of the District or debt or pledge of the faith and credit of the State or any other municipal corporation or political subdivision thereof or a debt of any other system of the District except the Priest Rapids Project as described herein.

Section 6. Revenue Fund.

(a) A special fund of the District, known as the “Columbia River-Priest Rapids Hydroelectric Development Revenue Fund,” was created by Resolution No. 313. A special fund of the District, known as the “Columbia River-Wanapum Hydroelectric Development Revenue Fund” was created by Resolution No. 474. A special fund of the District, known as the “Priest Rapids Project Revenue Fund” (the “Revenue Fund”), which is held in trust by the District, was created by Resolution No. 8475. The Columbia River-Priest Rapids Hydroelectric Development Revenue Fund and the Columbia River-Wanapum Hydroelectric Development Revenue Fund were merged into the Revenue Fund by Resolution No. 8475.

The District covenants that so long as any of the Parity Bonds are Outstanding and the Junior Lien Bonds are outstanding and unpaid it will continue to pay into the Revenue Fund all Gross Revenues, exclusive of earnings on money on hand in the RR&C Fund, the Project Account and the Bond Fund and the Junior Lien Bond Fund, which may be retained in such funds or transferred to other funds as required by this resolution and the resolutions authorizing the Parity Bonds then Outstanding and the Junior Lien Bonds.

(b) The District hereby creates a charge and obligation against the Revenue Fund, which charge and obligation shall remain in effect so long as any Parity Bonds are Outstanding or the Junior Lien Bonds are outstanding and unpaid, in an amount equal to the Coverage Requirement. The District shall pay from the Revenue Fund, after paying or making provision for

the payment of Operating Expenses, the Coverage Requirement. The Coverage Requirement shall be disbursed as follows:

(1) The payments into the Bond Fund required by the resolutions authorizing the Parity Bonds shall be made.

(2) The deposits into the reserve account and other payments required by the resolutions authorizing the Parity Bonds shall be made.

(3) An amount equal to 0.0125 of Annual Debt Service shall be deposited into the RR&C Fund on or prior to the 25th day of each month, to the extent there is not the required amount in the RR&C Fund, and applied to the purposes set forth in the resolutions authorizing the Parity Bonds.

(4) The deposit to the Junior Lien Bond Fund required by this resolution and the other resolutions authorizing the issuance of Junior Lien Bonds shall be made.

(c) The amounts on deposit in the Revenue Fund shall be used only for the following purposes and in the following order of priority:

(1) to pay or provide for Operating Expenses;

(2) to make all payments required to be made into the interest account in the Bond Fund for the Parity Bonds and to make any District Payments;

(3) to make all payments required to be made into the principal and bond retirement account in the Bond Fund for the Parity Bonds;

(4) to make all payments required to be made into the reserve account in the Bond Fund and to make all payments required to be made pursuant to a reimbursement agreement or agreements (or other equivalent documents) in connection with qualified insurance or a qualified letter of credit obtained for the reserve account; provided that if there is not sufficient money to make all payments under such reimbursement agreements, the payments will be made on a pro rata basis;

(5) to make all payments required to be made into the RR&C Fund to the extent such amount is not on deposit; and

(6) to make all payments required to be made into any special fund or account created, including the Junior Lien Bond Fund, to pay or secure the payment of junior lien obligations, including the Bonds.

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

Section 7. Covenants.

(a) *General Rate Covenant.* The District shall establish, maintain and collect rates and charges in connection with the ownership and operation of the Priest Rapids Project that shall be fair and nondiscriminatory and adequate to provide Gross Revenues sufficient for the payment of the principal of and interest on all Parity Bonds then Outstanding and the Junior Lien Bonds then outstanding, all amounts that the District is obligated to set aside in the Bond Fund and the Junior Lien Bond Fund, the payment of all Operating Expenses of the Priest Rapids Project, and the payment of any and all amounts that the District may now or hereafter become obligated to pay from the Gross Revenues, including, inter alia, payments to providers of qualified insurance and qualified letters of credit.

(b) *Rate Covenant - Coverage Requirement.* The District shall establish, maintain and collect rates or charges in connection with the ownership and operation of the Priest Rapids Project sufficient to provide Net Revenues in any Fiscal Year hereafter in an amount that is at least equal to the Coverage Requirement, and such amounts as are required to pay the principal of and interest on any outstanding obligations of the District for the Priest Rapids Project, excluding any capitalized interest thereon in such Fiscal Year.

The failure to collect Gross Revenues in any Fiscal Year sufficient to comply with the covenants contained in paragraph (a) above and this (b) shall not constitute an event of default if the District, before the 90th day of the following Fiscal Year, both:

(1) Employs a Professional Utility Consultant to recommend changes in the District's rates that are estimated to produce Gross Revenues sufficient (once the rates recommended by the Professional Utility Consultant have been imposed by the District) to meet the requirements of (a) and (b) of this Section; and

(2) Imposes rates at least as high as those recommended by such Professional Utility Consultant.

The calculation of the Coverage Requirement set forth above, and the District's compliance therewith, may be made solely with reference to this resolution without regard to future changes in generally accepted accounting principles. If the District has changed one or more of the accounting principles used in the preparation of its financial statements, because of a change in generally accepted accounting principles or otherwise, then an event of default relating to this section shall not be considered an event of default if the Coverage Requirement ratio would have been complied with had the District continued to use those accounting principles employed at the date of the most recent audited financial statements prior to the date of this resolution.

The debt service due in any Fiscal Year on the Junior Lien Bonds then outstanding shall be included in the calculation; and the Electric System covenants to pay to the Priest Rapids Project from the Electric System that portion of the debt service on such Junior Lien Bonds that is not otherwise paid or provided for from payments received by the Priest Rapids Project from the sale of power and energy and related products from the Priest Rapids Project to purchasers other than the District.

(c) *Maintenance of Priest Rapids Project in Good Condition.* The District will at all times maintain, preserve and keep the Priest Rapids Project in good repair, working order and

condition, and will from time to time make all necessary and proper repairs, renewals, replacements, extensions and betterments thereto so that at all times the business carried on in connection therewith shall be properly and advantageously conducted, and the District will at all times operate such properties and the business in connection therewith in an efficient manner and at reasonable cost.

(d) *Disposal of Properties.* The District will not sell or otherwise dispose of the Priest Rapids Project in its entirety unless simultaneously with such sale or other disposition, provision is made for the payment of cash into the Bond Fund sufficient to pay the principal of and interest on all Parity Bonds then Outstanding and any premium upon the retirement thereof in full and in accordance with the requirements of the resolutions authorizing the issuance of such bonds, nor will it sell or otherwise dispose of any part of the useful operating properties of the Priest Rapids Project if such sale or disposition would result in a reduction of Net Revenues below the amounts required in paragraph (b) above.

The District may sell or otherwise dispose of any of the properties of the Priest Rapids Project or any real or personal property comprising a part of the same which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the Priest Rapids Project or no longer necessary, material to or useful in such operation. The proceeds of any such sale or disposition of a portion of the properties of the Priest Rapids Project shall be deposited in any construction fund of the District, and may be used for any purposes for which Parity Bonds may be issued. Such proceeds shall be transferred to the reserve account to the extent that such transfer shall be necessary to make up any deficiency in the reserve account. The balance, if any, shall, at the option of the District, be used for repairs, renewals, replacements, or additions to or extensions of the Priest Rapids Project or be used in the retirement of Parity Bonds prior to maturity, either by purchase at prices not to exceed the next applicable redemption price or by call for redemption.

If the FERC License is awarded to another party, the District shall deposit into the Bond Fund, promptly following receipt, any compensation received from the new licensee or otherwise up to the amount necessary to pay or provide for the payment of principal of and interest on the Parity Bonds then Outstanding and any Junior Lien Bonds.

(e) *Insurance.* The District will keep the Priest Rapids Project insured, and will carry such other insurance, with responsible insurers, with policies payable to the District, against risks, accidents or casualties, at least to the extent that insurance is usually carried by municipal corporations operating like properties; provided, however, that the District may, if deemed necessary and advisable by the Commission, institute or continue a self-insurance program with respect to any or all of the aforementioned risks. In the event of any loss or damage, the District will promptly deposit the insurance proceeds into any construction fund created by the District, and use such funds to repair or replace the damaged portion of the insured property and apply the proceeds of any insurance policy or self-insurance funding for that purpose; or in the event the District should determine not to repair or reconstruct such damaged portion of the properties of the District, the proceeds of such insurance or self-insurance funding shall be transferred to the Reserve Account to the extent that such transfer shall be necessary to make up any deficiency in the Reserve Account and the balance, if any, shall, at the option of the District, be used for repairs, renewals, replacements, or additions to or extensions of the Priest Rapids Project or be used in the

retirement of Parity Bonds or Junior Lien Bonds prior to maturity, either by purchase at prices not to exceed the next applicable redemption price or by call for redemption.

(f) *Books of Account.* The District shall keep proper books of account, showing as a separate utility system the accounts of the Priest Rapids Project, in accordance with the rules and regulations prescribed by the State Auditor's office of the State, or other State department or agency succeeding to such duties of the State Auditor's office, and if no such rules or regulations are prescribed as aforesaid, then in substantial accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission or other federal agency having jurisdiction over public electric utility companies owning and operating properties similar to the properties of the District, whether or not the District is at the time required by law to use such system of accounts. The District shall cause its books of account to be audited annually by the State Auditor's office or other State department or agency as may be authorized and directed by law to make such audits, or if such an audit shall not be completed and the audit report presented within 12 months after the close of any Fiscal Year of the District, by independent certified public accountants. In keeping such books of account, the District shall accrue depreciation monthly thereon on its depreciable properties in accordance with the accounting practice prescribed by the public departments or agencies above mentioned. Any owner of any Bond may obtain at the office of the District copies of the balance sheets and statements of revenues, expenses and changes in net assets showing in reasonable detail the financial condition of the Priest Rapids Project as of the close of each Fiscal Year, and the income and expenses of such year, including the amounts paid into the Revenue Fund, the Bond Fund, and in any and all special funds created pursuant to the provisions of this resolution, and the amounts expended for maintenance, renewals, replacements, and gross capital additions to the Priest Rapids Project.

(g) *Make Only Economically Sound Improvements.* The District will not expend any of the revenues derived by it from the operation of the Priest Rapids Project or the proceeds of Parity Bonds, Junior Lien Bonds or other obligations for any extensions, betterments and improvements to the Priest Rapids Project which will not properly and advantageously contribute to the conduct of the business of the Priest Rapids Project.

(h) *FERC License.* The District hereby covenants to use its best efforts to retain the FERC License and to renew the FERC License when it expires.

(i) *Enforcement of Power Sales Contracts.* The District hereby covenants to enforce its rights and the obligations of power purchasers under the Power Sales Contracts.

Section 8. Additional Debt and Obligations.

(a) *Parity Bonds.* The District reserves the right to issue Future Parity Bonds if it meets the conditions to such issuance set forth in the resolutions for the Parity Bonds then Outstanding of the District.

(b) *Additional Junior Lien Bonds and Other Junior Lien Obligations.* The Junior Lien Bonds are junior lien obligations of the District, subject to the payments required under the resolutions authorizing the Parity Bonds. The District may issue bonds, notes, warrants or other obligations payable from and secured by a lien and charge equal to ("Additional Junior Lien

Bonds”) or junior to the lien and charge of the Junior Lien Bonds. The District may issue bonds, notes, warrants or other obligations payable from and secured by a lien and charge junior to the lien and charge created by this resolution and may create a special fund or funds for payment of such junior obligations; provided, however, that such obligations and the resolutions authorizing the same shall expressly state that the lien and charge securing such obligations is junior to the lien and charge created by this resolution and by the resolutions authorizing Parity Bonds. Any such junior lien obligations shall not be subject to acceleration.

(c) *Acceleration Prohibited.* The resolutions authorizing the Parity Bonds and Junior Lien Bonds shall not permit acceleration or other event or circumstance whereby the principal of such obligations becomes immediately due and payable as a remedy upon an event of default.

Section 9. Sale of the Bonds.

(a) The Commission has determined that it is in the best interest of the District to delegate to each Designated Representative the authority to approve the number of series and the series designations, final principal amounts, Issuance Date, denominations, principal payments, Interest Rate(s), payment dates, redemption provisions, and Maturity Date for each Bond issued under this resolution, provided that:

- (1) The aggregate principal amount (face amount) of all Bonds issued under this resolution does not exceed \$350,000,000;
- (2) Each Bond issued under this resolution shall bear interest at a fixed rate or rates, as is acceptable to the Designated Representative;
- (3) Each Bond shall be subject to prepayment on any date prior to its Maturity Date at the option of the District without penalty;
- (4) Each Bond shall be sold at a price of par (100%); and
- (5) Each Bond shall be dated as of the date of its delivery to the Purchaser.

The terms of each Bond issued hereunder shall be set forth in the Bond.

Subject to the conditions set forth herein, Bonds may be issued under this resolution from time to time from the effective date of this resolution until December 31, 2030. The District may extend such authorization and/or modify the terms and conditions relating to the issuance of the Bonds authorized hereunder by adopting an amending resolution.

In determining the number of series, the series designations, final principal amounts, dated date, denominations, interest rates, payment dates, redemption provisions, and Maturity Dates for the Bonds authorized under this resolution, a Designated Representative, in consultation with other District officials and staff and advisors, shall take into account those factors that, in such individual’s judgment, will result in the most favorable cost of the Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable to such Bonds.

Each Bond issued under this resolution shall be sold to the Electric System of the District, as Purchaser, upon the determination by a Designated Representative that the conditions of this Section have been met, which determination shall be evidenced by the issuance of a Bond.

Each Junior Lien Bond will be printed at District's expense and will be delivered to the Electric System in accordance with this resolution.

Section 10. Disposition of Bond Proceeds; Project Account. There is hereby authorized to be created a special account of the District (the "Project Account"), which shall be held by the District. Proceeds of any Bonds issued under this resolution shall be deposited into the Project Account and applied to pay (or to reimburse the District for) costs of the Improvements and to pay costs of issuance of any Bonds. Money in the Project Account may, at the option of the District, be invested in Permitted Investments. Interest earnings on the Project Account shall remain in such account and be used for capital improvements. Payments from the Project Account shall be made in accordance with law and the District's rules and procedures for the management and control of District funds. The Commission hereby authorizes the District staff to pay the costs associated with issuing all Bonds under this resolution.

Section 11. Reporting Requirements. The Bonds are exempt from ongoing disclosure requirements of the Rule and other reporting requirements.

Section 12. Form of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A, which is incorporated herein by this reference, with such changes thereto as may be approved by a Designated Representative, consistent with the provisions of this resolution.

Section 13. Execution of Bonds. The Bonds shall be signed in the corporate name of the District with the manual or facsimile signature of the President of the Commission and attested by the manual or facsimile signature of the Secretary of the Commission. The seal of the District shall be impressed on the Bonds.

Each Bond shall bear thereon a registration certificate, in the form set forth in Exhibit A, executed manually by the Registrar. Only such Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under this resolution, and no Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Registrar. Such certificate of the Registrar upon any Bond executed on behalf of the District shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered and is enforceable under this resolution and that the owner thereof is entitled to the benefits of this resolution.

In case either of the officers who shall have executed the Bonds shall cease to be an officer or officers of the District before the Bonds so signed shall have been issued by the District, such Bonds may nevertheless be delivered and issued and upon such delivery and issuance shall be as binding upon the District as though those who signed the same had continued to be such officers of the District. The Bonds may also be signed and attested on behalf of the District by such persons as at the actual date of execution of such Bonds shall be the proper officers of the District although at the original date of such Bonds any such person shall not have been such Officer of the District.

Section 14. Authorization to Officials and Agents. The General Manager/Chief Executive Officer, the Chief Financial Officer/Treasurer, and the Senior Manager of Treasury and Financial Planning/Deputy Treasurer, and the President, Vice President and Secretary of the Commission and each of the other appropriate officers of the District are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments, or instruments as in their judgment may be necessary, appropriate, or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this resolution.

Section 15. Miscellaneous.

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

(b) *Resolution a Contract.* The District agrees to comply with the provisions of this resolution in connection with each Bond issued hereunder.

(c) *Severability.* If any one or more of the covenants or agreements provided in this resolution on the part of the District to be performed shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this resolution or of each Bond issued hereunder.

(d) *Prior Acts.* All acts taken pursuant to the authority of this Resolution but prior to its effective date are hereby ratified and confirmed.

Section 16 Effective Date of Resolution. This resolution shall be in effect from and after its adoption in accordance with law.



ADOPTED by the Commission of Public Utility District No. 2 of Grant County, Washington, at a regular meeting thereof this 9<sup>th</sup> day of July, 2024.

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON

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

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

ATTEST:

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

CERTIFICATION

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

1. That the attached is a true and correct copy of Resolution No. XXXX (the “Resolution”) of the Commission, duly adopted at a regular meeting thereof held on the 9<sup>th</sup> day of July, 2024.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Commission voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

Dated this 9<sup>th</sup> day of July, 2024.

---

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



*Sale of Bond.* This bond will be sold to the District's Electric System at the aggregate purchase price of \$ \_\_\_\_\_, which is the principal (par) amount of this bond, with no premium/discount.

*Prepayment.* This bond may be prepaid in whole or in part by the District at any time.

*Purpose of Bond; Limited Subordinate Lien Obligations.* This bond is being issued to finance certain costs of improvements to the District's Priest Rapids Project. This bond is secured by a charge and lien on the Gross Revenues and certain other money junior to the charge and lien on the Gross Revenues of the Parity Bonds then Outstanding, and on a parity with the District's Junior Lien Bonds outstanding at the time of issuance of this bond and any Additional Junior Lien Bonds that may be issued from time to time in the future. The District has reserved the right to issue Additional Junior Lien Bonds subject to the terms and conditions in the Bond Resolution.

Copies of the Bond Resolution are on file at the principal office of the District, and reference thereto, and to any and all modifications and amendments thereof, is hereby made for a more complete description of the Gross Revenues available for the payment of the principal of, premium, if any, and interest on this junior lien bond and the rights and remedies of the owner of this bond with respect thereto, the terms and conditions upon which this bond has been issued, and the covenants of the District made for the benefit of the owners of this bond.

The pledge of Gross Revenues securing payment of the principal of and premium, if any, and interest on the Parity Bonds then Outstanding and any future Parity Bonds is a lien and charge on the Gross Revenues superior to all other liens and charges of any kind or nature, including the Junior Lien Bonds subject to prior application of Gross Revenues for payment of Operating Expenses, as further described in the Bond Resolution.

This bond is a special obligation of the District and is payable solely from the Junior Lien Bond Fund. This bond shall not be deemed to constitute a general obligation or pledge of the faith and credit of the District or debt or pledge of the faith and credit of the State of Washington or any other municipal corporation or political subdivision thereof or a debt of any other system of the District except the Priest Rapids Project.

*Registration; Transfer; Validity.* The District and any other person may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment hereof and for all purposes and shall not be affected by any notice to the contrary, whether this bond be overdue or not.

This bond is NOT transferrable.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Registration Certificate hereon shall have been manually signed by the Registrar.

Execution and delivery of this bond shall be evidence that the conditions in the Bond Resolution that must be met prior to the delivery of this bond have been satisfied and confirmed.

It is hereby certified, recited and declared that all acts, conditions and things required by the constitution and statutes of the State of Washington to exist, to have happened and to have been performed precedent to and in the issuance of this bond do exist, have happened and have been performed in due time, form and manner as prescribed by law, and that the amount of this bond, together with all other obligations or indebtedness of the District, does not exceed any constitutional or statutory limitations of indebtedness.

IN WITNESS WHEREOF Public Utility District No. 2 of Grant County Washington by its Commission has caused this bond to be signed with the manual or facsimile signature of the President of the Commission and attested by the manual or facsimile signature of the Secretary thereof, and the seal of the District to be impressed hereon, as of this ***[DATE OF ISSUANCE]***.

PUBLIC UTILITY DISTRICT NO. 2 OF  
GRANT COUNTY, WASHINGTON

(SEAL)

By *[manual or facsimile signature]*  
President of the Commission

ATTEST:

*[manual or facsimile signature]*  
Secretary of the Commission

**REGISTRATION CERTIFICATE**

This bond is registered in the name of the Registered Owner on the books of the District, in the office of the Chief Financial Officer/Treasurer of the District (the “Registrar”), as to both principal and interest, as shown in the registration blank below. All payments of principal of and interest on this bond shall be made by the District to the Registered Owner as shown hereon and on the registration books of the Registrar.

<u>Date of Registration</u>	<u>Name and Address of Registered Owner</u>	<u>Signature of Registrar</u>
<b><i>[DATE OF ISSUANCE]</i></b>	Electric System – Public Utility District No. 2 of Grant County 30 C Street Ephrata, WA 98823	<u>Chief Financial Officer/Treasurer, Public Utility District No. 2 of Grant County, Washington</u>

**PAYMENT SCHEDULE**

***[ATTACH PAYMENT SCHEDULE FOR BOND]***

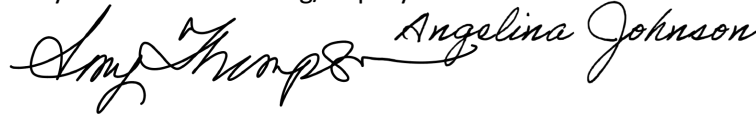
**MEMORANDUM**

**June 11, 2024**

**TO:** Bonnie Overfield, Chief Financial Officer/Treasurer

**VIA:** Angelina Johnson, Senior Manager of Treasury & Financial Planning/Deputy Treasurer

**FROM:** Amy Thompson, Senior Financial Analyst



**SUBJECT:** 2024 PRP Junior Lien Bond Resolution

**Purpose:** Request approval from the Commission to approve the 2024 PRP Junior Lien Bond (JLB) Resolution for future JLBs issued during the remainder of 2024 through December 31, 2030.

**Discussion:** The JLB program is a financing mechanism in place for the District to equity finance Priest Rapids Project (PRP) capital whereby the PRP issues a “bond” to the Electric System and is amortized per the terms of the long-term PRP Power Sales Contracts. The District began this program in 2014 as authorized by Resolution 8475 (2014 JLB issuances), and continued with Resolutions 8789 (2015-2016 JLB issuances), 8826 (2016-2021 JLB issuances), and 8968 (2021-current JLB issuances). The accompanying Resolution authorizes the District to undertake needed fund transfers and associated administration over the next five-year time frame for this program. This Resolution authorizes up to a maximum of \$350.0 million, which is estimated to cover the capital needs for equity financing issued through December 31, 2030, and provide for timing flexibility (based on forecasts at the time of development of this Resolution). A new Resolution will need to be drafted to authorize additional funds or to go beyond an issue date of December 31, 2030.

This Resolution is consistent with the prior five-year Resolution and delegates to the District’s Designated Representative (DR) the ability to authorize the specific terms and timing of each transfer of liquid assets for funding PRP capital improvements. The DR is defined as the General Manager/Chief Executive Officer, the Chief Financial Officer/Treasurer, and the Senior Manager of Treasury and Financial Planning/Deputy Treasurer and any successor to the functions of such offices. The covenants and parameters laid out in the Resolution must be consistent with prior District Resolutions for JLBs and must not conflict with other bond language and covenants. Additionally, the District maintains internal procedures and documentation for the administrative aspects of this program. Internal procedures provide for consistency of the District’s long-term power sales contracts for equity financing of capital. Bond Counsel, Pacifica Law Group, assisted the District in updating and reviewing this Resolution.

The District authorized the last PRP JLB in March of 2024 to fund PRP capital projects. Future JLBs will be conducted based upon dollar amount availability of funds and timing needs of the capital program. It is the intent to transfer funds as needed in no more than bi-annual transfers for efficiency; however, it is subject to change based on various operating factors and needs of the District.

**Financial Justification:** Increase of \$350.0 million is based on forecasted capital expenditures and available revenues for the next five-year period.

Key elements of the PRP Junior Lien Bonds include:

1. Ability to economically finance capital needs of the District via available funds consistent with state law and long-term PRP power sales contract provisions.
2. No requirement for additional bond reserve funds
3. Exempt from ongoing reporting requirements
4. Reduction in financing costs by lowering external debt service, issuance costs, and fees associated with annual financings/Resolutions
5. Consistent execution of stable funding program with many similar elements as senior lien bonds

6. Additional flexibility – bonds may be prepaid in whole or in part at any time and are not subject to call dates or penalties
7. Bonds are to be priced at the time of the funds transfer consistent with market rates and the power sales contracts utilizing a qualified agent to fix the rates.
8. The bonds are fixed rate obligations and not variable rate in nature with principal and interest due dates on the same schedule as senior parity bonds

**Recommendation:** To seek authorization of the Commission to review the attached materials at the June 25, 2024, Commission meeting and approve at the July 9, 2024, Commission meeting.

RESOLUTION NO. 9057

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 170-11949, FOR  
SUPPLYING POLE MOUNTED DISTRIBUTION TRANSFORMERS

Recitals

1. Bids were publicly opened on May 22, 2024 for Contract 170-11949, for Supplying Pole Mounted Distribution Transformers;
2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD's staff;
  - Stuart C Irby Co. dba Irby Electrical Utilities                      \$3,103,215.00
  - Anixter/Wesco    \$3,322,655.00
  - General Pacific    \$4,199,250.00
3. The low bid, submitted by Stuart C Irby Co. dba Irby Electrical Utilities is both commercially and technically compliant with Grant PUD's contract requirements;
4. The bid is less than the Engineer's Estimate of \$3,023,650.00 plus 15%; and
5. Grant PUD's Senior Manager of Power Delivery and Managing Director of Power Delivery concur with staff and recommend award to Stuart C Irby Co. dba Irby Electrical Utilities as the lowest responsible and best bid based on Grant PUD's plan and specifications.

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington, that the General Manager is authorized to enter into a contract, Contract 170-11949, for Supplying Pole Mounted Distribution Transformers with Stuart C Irby Co. dba Irby Electrical Utilities of Portland, Oregon in the amount of \$3,103,215.00 plus applicable sales tax, upon receipt of the required payment and performance bond in a manner satisfactory to Grant PUD's Counsel.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 9<sup>th</sup> day of July, 2024.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

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

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner



**MEMORANDUM**

June 10, 2024

**TO:** Rich Wallen, General Manager/Chief Executive Officer

**VIA:** Jeff Grizzel, Chief Operating Officer  
 Ron Alexander, Director of Power Delivery  
 Jesus Lopez, Senior Manager of Power Delivery Engineering  
 Bob Kakaley, Distribution Systems Supervisor

**FROM:** Kyle Robillard, Project Manager

**SUBJECT:** Award of Contract 170-11949, Supplying Pole Mounted Distribution Transformers

**Purpose:** To request Commission approval to award Contract 170-11949 to Stuart C Irby Company to supply pole mounted distribution transformers in the not to exceed amount of \$3,103,215.00, plus sales tax.

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

The district opened bids on May 22, 2024 at 2:00 PM Pacific. The following bids were received:

Bidders	Single Phase Pole Mounted Transformers (Bid Items 1-15)
Stuart C Irby Company – Quoting Central Moloney	\$3,103,215.00
Anixter/Wesco – Quoting Central Moloney	\$3,322,655.00
General Pacific – Quoting Ermco	\$4,199,250.00
Engineers Estimate	\$3,023,650.00

The following table compares the average cost per unit of our most used sizes proposed by bidders on this contract (170-11949) against the previous two District contracts from 2016 and 2021.

Description	170-4212 (2016)		170-10711 (2021)		170-11949 (2024)	
	Qty	Unit Cost	Qty	Unit Cost	Qty	Unit Cost
Single Phase Pole Mounted Transformers						
25kVA	150	\$794	300	\$867	250	\$1,975
37.5kVA	100	\$955	150	\$1,052	150	\$2,350

All Bids were evaluated for commercial and technical compliance, which includes total bid price by type of transformer, Bidder’s Data, as well as specifications and specified delivery dates. This Contract uses

estimated quantities for each Bid Item versus set quantities to prevent over and/or under purchasing quantities of the various sizes, as the demand varies, throughout the life of the Contract.

Stuart C Irby Company (Central Moloney) was the lowest bid and was found to be both commercially and technically compliant.

Anixter/Wesco(Central Moloney) was the second lowest bid and was found to be both commercially and technically compliant.

General Pacific (Ermco) was the highest bid. Their bid was also above the 15% tolerance of the Engineers Estimate. This bid was found to be not commercially compliant due to the exceptions they had to the parameters of the bid itself. This bid was found to be not technically compliant due to the exceptions they had with aspects of the technical specifications of the transformers.

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

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

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

**Recommendation:** Commission approval to award Contract 170-11949 to Stuart C Irby Company to supply pole mounted distribution transformers in the not to exceed amount of \$3,103,215.00, plus sales tax.

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

**From:** [Jeff Grizzel](#)  
**To:** [Kyle Robillard](#)  
**Cc:** [Emilie DeLong](#)  
**Subject:** RE: Contract 170-11949 - Supplying Pole Mounted Distribution Transformers - Commission Memo  
**Date:** Monday, June 10, 2024 3:49:47 PM  
**Attachments:** [image001.jpg](#)

---

Kyle – looks good. Just two minor changes:

1. My title is Chief Operating Officer (not Chief Operations Officer); and
2. Ron’s title is Director of Power Delivery (not Managing Director).

Thanks for the chance to review.

Jeff

---

**From:** Kyle Robillard <krobillard@gcpud.org>  
**Sent:** Monday, June 10, 2024 2:56 PM  
**To:** Jeff Grizzel <jgrizzel@gcpud.org>  
**Cc:** Emilie DeLong <Edelong@gcpud.org>  
**Subject:** FW: Contract 170-11949 - Supplying Pole Mounted Distribution Transformers - Commission Memo

Jeff,

I neglected to include you in the first email. I already received approval from Bob, Jesus, and Ron.

When you get a chance could you take a look and provide your approval by a response to this email if all looks good to you?

Thank you,

**Kyle Robillard**

*Distribution Engineering*

**OFFICE** 509.793.1576  
**EXT.** 2203  
**Cell** 509.750.3727



[grantpud.org](http://grantpud.org)

---

**From:** Kyle Robillard  
**Sent:** Monday, June 3, 2024 2:47 PM

**To:** Bob Kakaley <[bkakaley@gcpud.org](mailto:bkakaley@gcpud.org)>; Jesus Lopez <[Jlopez@gcpud.org](mailto:Jlopez@gcpud.org)>; Ron Alexander <[ralexander@gcpud.org](mailto:ralexander@gcpud.org)>  
**Cc:** Emilie DeLong <[Edelong@gcpud.org](mailto:Edelong@gcpud.org)>  
**Subject:** Contract 170-11949 - Supplying Pole Mounted Distribution Transformers - Commission Memo

Good afternoon,

Attached is the commission memo for Contract 170-11949 - Supplying Pole Mounted Distribution Transformers.

Please review this document and respond to this email with your approval to move forward for commission approval and award.

Also let me know if you have any questions/concerns with the document.

Thank you,

**Kyle Robillard**

*Distribution Engineering*

**OFFICE** 509.793.1576

**EXT.** 2203

**Cell** 509.750.3727



**[grantpud.org](http://grantpud.org)**

**From:** [Ron Alexander](#)  
**To:** [Kyle Robillard](#); [Bob Kakaley](#); [Jesus Lopez](#)  
**Cc:** [Emilie DeLong](#); [William Coe](#)  
**Subject:** RE: Contract 170-11949 - Supplying Pole Mounted Distribution Transformers - Commission Memo  
**Date:** Monday, June 3, 2024 6:31:38 PM  
**Attachments:** [image001.jpg](#)  
**Importance:** High

---

Hello Kyle.

I also approve.

However, I would like to know what the delivery times were between the three bidders please. I am also cc'ing Will Coe whom I have asked to assist with another issue with distribution transformers.

---

**From:** Kyle Robillard <krobillard@gcpud.org>  
**Sent:** Monday, June 3, 2024 2:47 PM  
**To:** Bob Kakaley <bkakaley@gcpud.org>; Jesus Lopez <jlopez@gcpud.org>; Ron Alexander <ralexander@gcpud.org>  
**Cc:** Emilie DeLong <Edelong@gcpud.org>  
**Subject:** Contract 170-11949 - Supplying Pole Mounted Distribution Transformers - Commission Memo

Good afternoon,

Attached is the commission memo for Contract 170-11949 - Supplying Pole Mounted Distribution Transformers.

Please review this document and respond to this email with your approval to move forward for commission approval and award.

Also let me know if you have any questions/concerns with the document.

Thank you,

**Kyle Robillard**  
*Distribution Engineering*

**OFFICE** 509.793.1576  
**EXT.** 2203  
**Cell** 509.750.3727



[grantpud.org](http://grantpud.org)

**From:** [Jesus Lopez](#)  
**To:** [Kyle Robillard](#)  
**Cc:** [Emilie DeLong](#)  
**Subject:** RE: Contract 170-11949 - Supplying Pole Mounted Distribution Transformers - Commission Memo  
**Date:** Monday, June 10, 2024 10:40:53 AM

---

Good morning Kyle, My apologies for the delay. I just sent my approval in a separate email.

Jesus

---

**From:** Kyle Robillard <krobillard@gcpud.org>  
**Sent:** Monday, June 10, 2024 8:08 AM  
**To:** Jesus Lopez <jlopez@gcpud.org>  
**Cc:** Emilie DeLong <Edelong@gcpud.org>  
**Subject:** FW: Contract 170-11949 - Supplying Pole Mounted Distribution Transformers - Commission Memo

Good morning,

Just checking to see if you had had any time to look over and approve this yet.

Thanks,  
Kyle

---

**From:** Kyle Robillard  
**Sent:** Monday, June 3, 2024 2:47 PM  
**To:** Bob Kakaley <[bkakaley@gcpud.org](mailto:bkakaley@gcpud.org)>; Jesus Lopez <[jlopez@gcpud.org](mailto:jlopez@gcpud.org)>; Ron Alexander <[ralexander@gcpud.org](mailto:ralexander@gcpud.org)>  
**Cc:** Emilie DeLong <[Edelong@gcpud.org](mailto:Edelong@gcpud.org)>  
**Subject:** Contract 170-11949 - Supplying Pole Mounted Distribution Transformers - Commission Memo

Good afternoon,

Attached is the commission memo for Contract 170-11949 - Supplying Pole Mounted Distribution Transformers.

Please review this document and respond to this email with your approval to move forward for commission approval and award.

Also let me know if you have any questions/concerns with the document.

Thank you,

**From:** [Bob Kakaley](#)  
**To:** [Kyle Robillard](#); [Jesus Lopez](#); [Ron Alexander](#)  
**Cc:** [Emilie DeLong](#)  
**Subject:** RE: Contract 170-11949 - Supplying Pole Mounted Distribution Transformers - Commission Memo  
**Date:** Monday, June 3, 2024 4:40:58 PM  
**Attachments:** [image001.jpg](#)

---

I approve.

Bob

---

**From:** Kyle Robillard <krobillard@gcpud.org>  
**Sent:** Monday, June 3, 2024 2:47 PM  
**To:** Bob Kakaley <bkakaley@gcpud.org>; Jesus Lopez <jlopez@gcpud.org>; Ron Alexander <ralexander@gcpud.org>  
**Cc:** Emilie DeLong <Edelong@gcpud.org>  
**Subject:** Contract 170-11949 - Supplying Pole Mounted Distribution Transformers - Commission Memo

Good afternoon,

Attached is the commission memo for Contract 170-11949 - Supplying Pole Mounted Distribution Transformers.

Please review this document and respond to this email with your approval to move forward for commission approval and award.

Also let me know if you have any questions/concerns with the document.

Thank you,

**Kyle Robillard**

*Distribution Engineering*

**OFFICE** 509.793.1576

**EXT.** 2203

**Cell** 509.750.3727



[grantpud.org](http://grantpud.org)

Contract Documents 170-11949

Supplying Pole Mounted Distribution Transformers

for

Public Utility District No. 2  
of Grant County, Washington

Bid Due Date: May 21, 2024



**TABLE OF CONTENTS**

**INSTRUCTIONS TO BIDDERS..... 1**

1. SUBMISSION OF BID ..... 1

2. COMPLIANCE WITH BID DOCUMENTS/BIDDER'S EXCEPTIONS ..... 1

3. DISCREPANCIES OR OMISSIONS IN CONTRACT DOCUMENTS ..... 2

4. DISTRICT'S RIGHT TO MODIFY CONTRACT DOCUMENTS ..... 2

5. BIDDER'S WITHDRAWAL OR MODIFICATION OF BID ..... 2

6. BID DELIVERY RESPONSIBILITY ..... 2

7. BID EVALUATION..... 3

8. BIDDER'S DATA..... 3

9. BID BOND ..... 4

10. WAIVE MINOR ERRORS ..... 4

11. DISTRICT'S RIGHT TO REJECT BIDS ..... 4

12. REFUSAL TO EXECUTE CONTRACT ..... 5

13. PAYMENT AND PERFORMANCE BOND ..... 5

14. PUBLIC RECORDS ACT ..... 5

15. CONTRACT DOCUMENTS ..... 5

16. BIDDER QUESTIONS OR CLARIFICATIONS ..... 5

**GENERAL CONDITIONS ..... 6**

GC-1. FORM OF CONTRACT ..... 6

GC-2. DEFINITIONS..... 6

GC-3. SUSPENSION OF CONTRACT OTHER THAN FOR DEFAULT ..... 7

GC-4. TERMINATION FOR DEFAULT/NONCOMPLIANCE ..... 8

GC-5. ASSIGNMENT ..... 9

GC-6. INDEMNITY ..... 9

GC-7. LAWS, REGULATIONS, PERMITS ..... 9

GC-8. DAMAGES..... 10

GC-9. WARRANTY ..... 10

GC-10. CHANGES IN WORK ..... 11

GC-11. PAYMENT ..... 12

GC-12. PAYMENTS WITHHELD..... 13

GC-13. INSPECTION ..... 13

GC-14. CONFLICT AND PRECEDENCE/INTENT ..... 13

GC-15. TAXES..... 14

GC-16. NON-WAIVER ..... 14

GC-17. DISTRICT REPRESENTATIVE'S STATUS, AUTHORITY AND PROTEST PROCEDURE . 15

GC-18. ACTIVITIES ON DISTRICT PREMISES..... 15

**SPECIFIC REQUIREMENTS ..... 17**

SR-1. SCOPE OF SUPPLY ..... 17

SR-2. DELIVERY ..... 17

SR-3. DISTRICT'S RIGHT AND OPTION TO PURCHASE AN ADDITIONAL DISTRIBUTION TRANSFORMERS..... 17

SR-4. SHIPPING AND NOTIFICATION INSTRUCTIONS ..... 18

SR-5. CODES AND STANDARDS..... 19

SR-6. APPROVED MANUFACTURERS ..... 19

SR-7. PRICE ADJUSTMENTS..... 19

SR-8. CERTIFIED TEST REPORTS ..... 20

SR-9. PHYSICAL SECURITY ..... 20

SR-10. SECURITY, SAFETY AWARENESS TRAINING, DAM SAFETY AWARENESS TRAINING,  
AND TRANSMISSION AND DISTRIBUTION ACCESS TRAINING ..... 21

**TECHNICAL SPECIFICATIONS ..... 23**

**EXHIBIT "A" - BID FORM..... 24**

**EXHIBIT "B" - BID BOND..... 28**

**EXHIBIT "C" - CONTRACT FORM ..... 29**

**EXHIBIT "D" - PAYMENT AND PERFORMANCE BOND ..... 30**

**EXHIBIT "E" - CHANGE ORDER..... 32**

**EXHIBIT "F" – STOCK CATALOG PAGES..... 33**

**EXHIBIT "G" – DISTRICT INSTRUCTIONS ..... 34**

## INSTRUCTIONS TO BIDDERS

### 1. SUBMISSION OF BID

Sealed Bids shall be received by Public Utility District No. 2 of Grant County, Washington at the District's contracting offices at 154 A Street SE, Ephrata, Washington no later than 2:00 p.m. on May 21, 2024 for Supplying Pole Mounted Distribution Transformers as specified in Contract Documents 170-11949. Bids received after that time shall be rejected as non-responsive. **Bids will be opened on May 22, 2024 at 2:00 p.m. via Microsoft Teams video conference. The video conference will be the only manner by which the public can participate in the Bid opening. To participate in the Bid opening, please join the Teams meeting below:**

### **Microsoft Teams** [Need help?](#)

#### **[Join the meeting now](#)**

Meeting ID: 222 758 647 999

Passcode: mv5HNv

#### **Dial-in by phone**

[+1 509-703-5291,,354801995#](#) United States, Spokane

[Find a local number](#)

Phone conference ID: 354 801 995#

The original and one copy of the Bid and all required Bidder's Data shall be delivered in a completely sealed opaque envelope properly addressed to:

Emilie DeLong, Procurement Officer  
Public Utility District No. 2  
of Grant County, Washington  
154 A Street SE, Building E  
Ephrata, Washington 98823

Phone: (509) 754-5088 Ext. 2469

E-mail: [Edelong@gcpud.org](mailto:Edelong@gcpud.org)

with the name of the Bidder written on the outside of the envelope and outer shipping container with the following:

Contract Documents: 170-11949  
Bid for: Supplying Pole Mounted Distribution Transformers  
Bid due date: May 21, 2024  
Bid opening: May 22, 2024

Each Bid submitted shall constitute an offer to the District and shall be irrevocable for a period of 60 days following Bid opening. Contract Award, if any, shall be made within 60 days from the date of Bid opening.

### 2. COMPLIANCE WITH BID DOCUMENTS/BIDDER'S EXCEPTIONS

Bids shall be submitted on the Bid Form (see Exhibit "A") provided with the Contract Documents. All Bid proposals must be quoted in U.S. dollars. Any submittals or data which may be required

by the Contract Documents to support a Bid shall be attached to the Bid Form. The Bid Form must be properly executed and all blanks must be filled in. All Bids shall be submitted in strict compliance with the Contract Documents, Technical Specifications, and commercial requirements contained herein. Bids which do not comply with these specifications and requirements or which contain or are conditioned upon different terms provided by the Bidder may be rejected. Any Bid which attempts to disclaim liability for the Bidder's negligence or to disclaim liability for damage, which arises from Bidder's acts, to person or property, may be deemed a non-responsive Bid.

Bidder shall specifically identify by paragraph and page number and describe in detail in its Bid proposal each variation or departure from the Contract Document. If, in the District's opinion, the Bid proposal contains material variations in or departures from the commercial terms or functional design requirements, it may be rejected as being non-responsive.

3. DISCREPANCIES OR OMISSIONS IN CONTRACT DOCUMENTS

If a Bidder finds discrepancies in or omissions from the District's requirements, or if Bidder is in doubt as to the meaning of any provision in the Contract Documents, Bidder shall, at once, notify the District's Procurement Officer. If appropriate, a notice of addendum shall be posted to the District's ProcureWare site, mailed, e-mailed, or otherwise delivered to each person obtaining a set of Contract Documents. Each person requesting an interpretation shall be responsible for the delivery of their request to the District. The District shall not be bound by, nor responsible for, any other explanations or interpretations of the proposed documents other than those given in writing as set forth in this paragraph. Oral instructions, interpretations or representations shall not be binding upon the District.

4. DISTRICT'S RIGHT TO MODIFY CONTRACT DOCUMENTS

The District reserves the right to revise the Contract Documents by addendum prior to the date set for receiving Bids. The Bidder shall acknowledge the receipt of each addendum on the Bid Form to substantiate that its Bid is in accordance with the revised Contract Documents.

5. BIDDER'S WITHDRAWAL OR MODIFICATION OF BID

The Bidder may, without prejudice to itself, withdraw, modify or correct a proposal after it has been deposited with the District; provided such withdrawal, modification, or correction is filed with the District in writing, before the time set for receiving Bids. The original Bid, as modified, will be considered as the proposal submitted by the Bidder.

6. BID DELIVERY RESPONSIBILITY

It shall be the Bidder's responsibility to deliver the original copy of its properly executed Bid and Bid documents prior to the time for Bid receipt stated above. Bids will only be accepted via United Parcel Service, Federal Express, Bidder walk-in, or other carrier or courier service to the address referenced in Section 1 above; no Bids sent by United States Postal Service will be allowed. The District shall not accept or consider Bids transmitted by any electronic method. No Bid shall be considered which is received after the time stated above and shall be returned unopened. It shall be the sole responsibility of the Bidder to ensure that Bids are delivered at the Bid due date and time established in Section 1 above or by addendum. It shall also be the sole responsibility of the Bidder to ensure that Bids are properly addressed and labeled in accordance with Section 1 above.

7. BID EVALUATION

For the purposes of evaluating Bids, the District will consider a number of factors and will not evaluate based on cost alone. The District may let the Contract to the lowest responsible Bidder or Bidders based upon the plans and specifications, price and any other factors considered. Consideration will be given to the following:

- A. Total Bid Price.
- B. Bidder's Data (See Instruction No. 8 which follows). **NOTE: Any Bid which does not contain all Bidder's Data indicated in Section 8 as "required", if any, shall be rejected.**
- C. The District, in evaluating its requirements with regard to its financial obligations and power commitments to its customers, has determined that it must take every step prudent to ensure the prompt delivery of material described in the Contract Documents.

The District has determined that prompt delivery of material can be best assured if Bidders or the manufacturer who the Bidder is representing in their Bid, have and will continue to have establishments, which can provide for this material upon the North American continent. **In addition, no Bid shall be considered unless the Bidder, or the manufacturer that the Bidder is representing in its Bid, owns and maintains a manufacturing establishment on the North American continent, which provides a service establishment as specified.**

- D. Bidder's compliance with the provisions of Section SR-7, Price Adjustments. **Bids that take exception to these provisions may be grounds for rejection of Bid.**
- E. All elements or factors which will affect the final cost to or benefits to be derived by the District which may include, but not be limited to:
  - 1. The ability, capacity, and experience of the Bidder to perform the Contract or provide the material/equipment required;
  - 2. Whether the Bidder can deliver the required material/equipment within the time specified; and
  - 3. The quality of the Bidder's performance on previous contracts.

8. BIDDER'S DATA

The Bidder shall submit the following information with their sealed Bid:

- A. The Bidder shall have had a minimum of three years' experience in the successful delivering, servicing and maintenance of the type of equipment/material specified by these Contract Documents prior to submission of its Bid. Bidder shall provide a representative user's list with addresses, phone contacts, and material delivery dates to document the experience requirement. The Bidder shall be a factory franchised new equipment/material dealer with full parts, service and warranty capacity.
- B. Manufacturer, model and place of manufacture.

- C. Nearest parts and service outlet on the North American Continent.
- D. Dimensional drawings for each Bid Item.
- E. Paint finish data and test information sufficient to determine that the primer and finish coat meet the District's specification requirements.
- F. List of manufacturer's production tests.
- G. Safety Data Sheets (SDS) for transformer oil.
- H. Bayonet fuse assembly information
- I. **Required or Bid shall be rejected:** Completed Supplemental Bid Data Sheet for each Bid Item. The Bid Data Sheets are located at the end of each Technical Specification.

9. BID BOND

Each Bid shall be accompanied by a certified or cashier's check payable to the order of Public Utility District No. 2 of Grant County, Washington for a sum not less than 5% of the amount of the Total Bid Price, or accompanied by a Bid Bond on the form provided as Exhibit "B", in an amount not less than 5% of the Total Bid Price with a corporate surety licensed to do business in the State of Washington, conditioned that the Bidder shall pay the District as liquidated damages the amount specified in the bond, unless Bidder enters into a Contract in accordance with their Bid and furnishes the Payment and Performance Bond hereinafter mentioned within 10 days from Contract Award. If a Bid is rejected, or if a Bid is accepted and a Contract Form executed, any check shall be returned in each instance within a period of 10 days to the Bidder furnishing the same. If the Bid is one of the three low Bids, such check or bond shall be held by the District until Contract Documents are fully executed by the District and successful Bidder and the Payment and Performance Bond provided per Section 13. If a Bid Bond was provided, 30 days following this period, the original Bid Bond shall be destroyed unless the Surety or Contractor requests the return of the bond, in writing, prior to destruction. The Bidder's failure to submit its Bid Bond on the form attached to the Contract Documents may result in rejection of the Bid.

10. WAIVE MINOR ERRORS

The District reserves the right to waive minor errors or irregularities in any Bid if it appears to the District that such errors or irregularities in any Bid were made through inadvertence and are not material. Any errors or irregularities so waived must be corrected on the Bid on which they occur prior to the execution of any Contract Form which may be awarded thereon. No Bidder may withdraw their Bid after the hour set for the opening thereof, unless and until Contract Award has been delayed for a period exceeding 60 days after the date of Bid opening.

11. DISTRICT'S RIGHT TO REJECT BIDS

The District reserves the right to reject any and all Bids or to accept the Bid which in its sole and absolute judgment will under all circumstances best serve the interest of the District.

12. REFUSAL TO EXECUTE CONTRACT

Should the successful Bidder fail or refuse to execute a Contract Form and furnish a Payment and Performance Bond within 10 days following receipt of notification of Contract Award, the Bidder shall be considered to have abandoned the Bid and the check or Bid Bond in the amount of not less than 5% of the Bid delivered with the Bid shall thereupon be due and owing to the District as liquidated damages for such failure or refusal, and the District may thereupon award the Contract to any other Bidder.

13. PAYMENT AND PERFORMANCE BOND

To assure compliance with the terms of the Contract, the Contractor shall furnish a Payment and Performance Bond in an amount equal to 25% of the amount of the Contract Price, excluding Washington State Sales Tax, with surety or sureties who are acceptable to the District. This Payment and Performance Bond shall remain in force for a period of 365 days after final payment. Thirty days following this expiration, the original Payment and Performance Bond shall be destroyed unless the Surety or Contractor requests the return of the bond, in writing, prior to destruction. The Payment and Performance Bond must be on the form provided with these Contract Documents as Exhibit "D". The cost of the Payment and Performance Bond shall be included in the Total Bid Price.

14. PUBLIC RECORDS ACT

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

15. CONTRACT DOCUMENTS

The Contract Documents consist of the documents listed in the Table of Contents.

The Contract shall bind both the District and the Contractor to all requirements set forth in the components of the Contract Documents stated above.

16. BIDDER QUESTIONS OR CLARIFICATIONS

Bidders are to submit questions or requests for clarification in writing to the District's Procurement Officer. If appropriate, response to Bidder's questions will be posted to the District's ProcureWare web site. The deadline to submit questions or request for clarification to the District shall be five business days prior to the time and date that Bids are due.

## GENERAL CONDITIONS

### GC-1. FORM OF CONTRACT

The form of the Contract shall be unit price type.

### GC-2. DEFINITIONS

Whenever these words occur in the Contract Documents, they shall have the following meanings:

“BID” - The written proposal submitted by the Bidder on the Bid Form provided as Exhibit “A” in these Contract Documents.

“BID EVALUATION” - The criteria for determining the lowest responsive Bid received in response to the Contract Documents.

“BID ITEM” - A line item on the Bid Form which is included in these Contract Documents as Exhibit “A”.

“BID ITEM PRICE” - The correctly calculated (extended) price of all units of each Bid Item (Bid Unit Price times Estimated Quantity).

“BID UNIT PRICE” - The price per unit on a specific Bid Item.

“BIDDER” - Any person or entity who submits a Bid.

“CONTRACT AWARD” - Contract Award is defined as the date the successful Bidder is first notified in writing that the District has accepted the Contractor's Bid. Contract Award, if any, shall be made within 60 days after the date of Bid opening.

“CONTRACT DOCUMENTS” - The Contract Documents shall include all sections listed in the Table of Contents.

“CONTRACT PRICE” - The Total Bid Price plus any optional Bid Items included in the Contract Award and any properly approved Change Orders approved subsequent to Contract Award

“CONTRACTOR” - The successful Bidder who is awarded the Contract to supply the materials or equipment covered by these Contract Documents.

“DISTRICT” OR “OWNER” - Public Utility District No. 2 of Grant County, Washington.

“DISTRICT REPRESENTATIVE” - The employee designated by the District as its representative during the term of this Contract.

“PROMPT PAYMENT DISCOUNT” - As provided for on the Bid Form, Contractor may accept the prompt payment discount of 2% 10 days, which shall mean, if the District issues payment within 10 days, the payment due shall be reduced by 2%. A payment is considered made on the day it is mailed or is sent through electronic or wire transfer.

“SUBCONTRACTOR” - A contractor/supplier hired by the Contractor to supply materials, equipment or services related to these Contract Documents, if any.



“TOTAL BID PRICE” - The properly calculated total of the Bid Items on the Bid Form.

GC-3. SUSPENSION OF CONTRACT OTHER THAN FOR DEFAULT

The District may, at its sole option, by notice in writing to the Contractor suspend or terminate at any time the performance of any portion or this entire Contract. The Contractor shall use its best efforts to minimize costs associated with suspension or termination.

- A. Upon receipt of any such notice, the Contractor shall:
  - 1. Immediately discontinue work as specified in the notice;
  - 2. Place no further orders or subcontracts for material, services, or equipment with respect to suspended or terminated portion of the Contract;
  - 3. Promptly suspend or terminate all orders, subcontracts, and rental agreements to the extent they relate to performance of the portion of the Contract suspended or terminated;
  - 4. Assist District Representative or District in the maintenance, protection, and disposition of work in progress, plant, tools, equipment property, and materials acquired by Contractor or furnished by Contractor under this Contract; and
  - 5. Complete performance of the portion of the Contract which is not terminated.
- B. As full compensation for such suspension the Contractor shall be reimbursed for the following costs, reasonably incurred, without duplication of any item, to the extent that such costs directly result from such suspension of work:
  - 1. A standby charge, as determined to be equitable by the District Representative, to be paid to the Contractor during a period of suspension of work sufficient to compensate the Contractor for keeping, to the extent required in the notice, its organization and equipment committed to the work in a standby status;
  - 2. All reasonable costs, as determined to be equitable by the District Representative, associated with any demobilization and remobilization of the Contractor's plant, forces, and equipment;
  - 3. Any claim on the part of the Contractor for additional time or compensation shall be made within 10 days after receipt, by Contractor, of a notice to suspend work. Failure to submit a claim within the 10 day period shall constitute a waiver of any such claim; and
  - 4. In no event shall the amount to be paid the Contractor pursuant to this section exceed the Contract Price.
- C. Upon receipt of notice to resume suspended work, the Contractor shall immediately resume performance of the suspended portion of the Contract to the extent required in the notice. Any claim on the part of the Contractor for time or compensation shall be made within 10 days after receipt of notice to resume work and the Contractor shall submit a revised project schedule for review.
- D. Upon delivery of a written notice to the Contractor, the District may, without cause and without prejudice to any other right or remedy, elect to terminate the Contract. Upon receipt of any such notice, the Contractor shall take all appropriate steps in part A of this Section GC-3.

Upon any such termination, Contractor shall waive any claims for damages including Contractor's overhead, loss of anticipated profits, and all other inconvenience, expenses, damages, costs and lost profits whatsoever.

If such termination is effected after Contract Award, the District shall pay the reasonable, verifiable and directly attributable costs incurred by the Contractor in the preparation of Bidder's Bid plus 15% of such costs. If Contractor has commenced performance hereunder, the District shall pay the reasonable, verifiable and directly attributable costs incurred by the Contractor as determined by the physical progress of the work satisfactorily completed to date, plus 10% of the sum of all such costs; provided, said payment shall not in any event exceed the Contract Price hereunder. The payment of the District shall constitute full and complete satisfaction and settlement for the Contractor's overhead, anticipated profits, and all other inconvenience, expenses, damages, costs and lost profits whatsoever. The Contractor shall be entitled to no further payments whatsoever for the work.

Contractor shall submit within 30 days after receipt of notice of termination, a request for adjustment to the Contract Price in accordance with the above provisions. District Representative shall review, analyze, and verify such request, and upon District Representative's approval, the Contract shall be amended in writing accordingly.

Those provisions of the Contract that by their nature survive the Contract shall remain in full force and effect after such termination.

#### GC-4. TERMINATION FOR DEFAULT/NONCOMPLIANCE

##### A. Acts of Default

If Contractor fails in any material way to comply with any of the conditions or provisions of the Contract Documents or is unable to pay its debts as they mature or authorizes or takes any action under bankruptcy or reorganization, readjustment of debt, insolvency, liquidation or other similar laws or proceedings it shall be considered an act of default.

##### B. Consequences of Default

In the event of default, the District may immediately, without limiting any other remedy available to it in law or equity, withhold any amount otherwise due under the Contract. The District shall provide written notice of default. In the event the default can be cured, and Contractor fails to correct the default within 10 days after written notice of default, the District may terminate the Contractor's right to proceed with all or any portion of the work. The District's right to liquidated damages shall not in any manner limit any other remedy available to the District, including but not limited to, the District's right to terminate the Contractor's right to proceed.

##### C. Noncompliance

The Contractor shall, upon receipt of written notice of noncompliance with any provision of this Contract and the action to be taken, immediately correct the conditions to which attention has been directed. Such notice, when served on the Contractor or Contractor's representative, shall be deemed sufficient. If the Contractor fails or refuses to comply promptly, the District Representative may issue an order to suspend all or any part of the

work. When satisfactory corrective action is taken, an order to resume work shall be issued. No part of the time lost due to any such suspension order shall entitle the Contractor to any extension of time for the performance of the Contract or to reimbursement for excess costs or damages.

GC-5. ASSIGNMENT

The Contractor shall not assign this Contract or any interest in or part thereof, or any monies due or to become due hereunder, without the prior written approval of the District. Any costs to the District associated with the assignment may be deducted from amounts due to the Contractor.

GC-6. INDEMNITY

- A. Contractor shall defend, indemnify and hold harmless the District and its representatives (which shall be deemed to include the District's directors, officers, employees and agents) from and against any and all liabilities, claims, losses, damages or expenses of any type or kind, including reasonable legal fees, and expert witness fees, which may be incurred or sustained by the District or its representatives by reason of any act, omission, misconduct, negligence, or default on the part of the Contractor or arising in connection with the supplies, material or equipment to be furnished pursuant to these Contract Documents, or out of the processes or actions employed by, or on behalf of the Contractor in connection with the performance of the Contract. The Contractor shall, at its sole expense, promptly defend against any such claim or action, provided that the District or its representatives shall have notified the Contractor upon becoming aware of such claims or actions; and provided further that the Contractor's aforementioned obligations shall not apply to equipment, materials, or processes furnished or specified by the District. The Contractor shall have the right, in order to avoid such claims or actions, to substitute at its expense non-infringing equipment, materials, or processes, or to modify at its own expense such infringing equipment, materials and processes so that they become non-infringing, provided, that such substituted and modified equipment, materials, and processes shall meet all the requirements and be subject to all the provisions of the Contract.
- B. Contractor's indemnification obligation shall not apply to liability for damages arising out of bodily injury to persons or damage to property caused by the negligence of the District or its agents or employees and not attributable to any act or omission on the part of the Contractor. In the event of damages to person or property caused by or resulting from the concurrent negligence of District or its agents or employees and the Contractor or its agents or employees, the Contractor's indemnity obligation shall apply only to the extent of the Contractor's (including that of its agents and employees) negligence.
- C. Contractor acknowledges that by entering into a contract with the District, Contractor has mutually negotiated the above indemnity provisions with the District. Contractor's indemnity and defense obligations shall survive the termination or completion of the Contract and remain in full force and effect until satisfied in full.

GC-7. LAWS, REGULATIONS, PERMITS

The Contractor represents that it is familiar with, and shall be governed by and comply with, all federal, state and local statutes, laws, ordinances, and regulations including amendments and changes as they occur. The Contractor and any Subcontractors shall be responsible for ensuring

that its employees fully comply with the District's Code of Ethics, a copy of which is available at the District's offices.

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

GC-8. DAMAGES

Any claims arising under the Contract by the Contractor shall be made in writing to the District Representative no later than 10 days after the beginning of the event or occurrence giving rise to the claim. Failure to make written claim prior to the time specified in the Contract Documents shall constitute waiver of any such claim.

GC-9. WARRANTY

The Contractor agrees that all materials and equipment furnished pursuant to the Contract shall be free from all inherent defects in design, workmanship and material and shall give proper and continuous service under all conditions of service required and specified or which may be reasonably inferred from the Contract Documents. The Contractor shall immediately upon receiving notice from the District repair or replace any materials or equipment which, under normal and proper use, prove defective within one year from the date of delivery to the District. The warranty provided herein is in addition to and not in lieu of manufacturer's standard warranty normally provided.

If at any time prior to the expiration of the warranty period, Contractor or District discovers any defect in such design, materials or workmanship, the Contractor shall, upon written notice from the District given within a reasonable time after discovery, correct such defects to the satisfaction of the District by redesigning, repairing or replacing the defective work at a time acceptable to District. All costs incidental to such corrective action including but not limited to removal, disassembly, reinstallation, reconstruction, re-testing and re-inspection as may be necessary to correct the defect or demonstrate that the previously defective work conforms to the requirements of the Contract shall be borne by the Contractor.

Contractor shall not be liable to the District either in contract or in tort (including negligence or strict liability) for consequential damages consisting of the District's loss of profits, its loss of revenue or its cost of replacement power.

The warranty requirements in this section are the minimum requirements for materials or equipment under this Contract. Any other warranty requirements specified in the Contract, including the Technical Specifications, are in addition to, and not in lieu of the minimum requirements specified herein.

## GC-10. CHANGES IN WORK

Without invalidating the Contract, the District may make changes by altering, adding or deducting from the work, and/or make changes in the Contract Drawings and Technical Specifications requiring changes in the work and/or materials and equipment to be furnished under this Contract; provided such additions, deductions or changes are within the general scope of the Contract. Except as provided herein, no official, employee, agent or representative of the District is authorized to approve any change in this Contract and it shall be the responsibility of the Contractor before proceeding with any change, to satisfy itself that the execution of the written Change Order has been properly authorized on behalf of the District. The District's management has limited authority to approve Change Orders. The current level and limitations of such authority are set forth in District Resolution No. 8609 which may be amended from time to time. Otherwise, only the District's Board of Commissioners may approve changes to this Contract.

Charges or credits for the work covered by the approved changes shall be determined by one or more, or a combination of the following methods, at the District's option:

- A. Unit prices specified in the Bid Form.
- B. An agreed lump sum. When requested, Contractor shall provide a detailed proposal for evaluation by the District, including, as applicable:
  - 1. Detailed proposed labor categories, hours, and rates.
  - 2. Specific materials and quantities.
  - 3. Equipment and equipment hours.
  - 4. Administrative cost and profit.
- C. The actual cost related to the change of:
  - 1. Labor, including foreman, only for employees who will work directly on the work covered by the Change Order.
  - 2. Materials entering permanently into the work.
  - 3. The ownership or rental cost of plant and equipment during the time of use on the project.
  - 4. Power and consumable supplies for the operation of power equipment.
  - 5. Insurance.
  - 6. Social Security and old age and unemployment contributions.
  - 7. To the sum of Items 1, 2, 4, 5, and 6 inclusive, there shall be added a fixed fee of 15%. The fee shall be compensation to cover the cost of supervision, overhead, bond, profit and any other general expenses.

When a change is ordered by the District, as provided herein, a Change Order shall be executed by the District and the Contractor before any Change Order work is performed. The District shall not be liable for any payment to Contractor, or claims arising therefrom, for Change Order work which is not first authorized in writing as set forth in this section. All terms and conditions contained in the Contract Documents shall be applicable to Change Order work. Change Orders shall be issued on the form attached as Exhibit "E" and shall specify any change in time required for completion

of the work caused by the Change Order and, to the extent applicable, the amount of any increase or decrease in the Contract Price.

The District Representative may instruct the Contractor to make minor changes in the work where such changes are not inconsistent with the purposes of the Contract, do not involve any additional cost and shall not require an extension of the Contract completion date. The Contractor shall make no such changes without receipt of a District Instruction, Exhibit "G", setting forth the changes to be made. Contractor's compliance therewith shall constitute its acknowledgment that such changes shall not result in any claim for additional payment or extension of the Contract completion date. District Instructions, when issued, shall be in writing and signed by the District Representative.

If the Contractor believes the instruction shall result in additional costs or time extensions, Contractor shall promptly notify the District of the same and not proceed with the changes.

No waiver of any provision of the Contract, and no consent to departure there from, by either party, shall be effective unless in writing and signed by the waiving or consenting party, and no such waiver or consent shall extend beyond the particular case and purpose involved.

If Contractor believes that any requirement, direction, instruction, interpretation, determination, or decision of the District described in a Change Order entitles Contractor to an adjustment in the Contract Price or time for performance and Contractor refuses to execute the Change Order, then Contractor shall submit a claim as provided in Section GC-8 of this Contract. Notwithstanding the submission of any such claim, Contractor shall proceed without delay to perform the work described in the Change Order.

#### GC-11. PAYMENT

The Contractor may submit an invoice for payment following delivery of the specified equipment/material, which conforms to the Contract Documents. The invoice shall contain detailed information identifying the number of units of each Bid Item actually furnished multiplied by the applicable Bid Unit Price, as adjusted in accordance with Section SR-7. The invoice shall be submitted for District verification and approval. Payment will be made to the Contractor within 30 days after the District has inspected the equipment/material, received all required test documentation in accordance with Section SR-8, and has determined that it is in conformance with the Contract Documents. If accepted by the Contractor on the Bid Form and the District issues payment within 10 days, the payment due shall be reduced by 2%.

Invoices shall include the Contract number 170-11949 and be addressed as follows:

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

Phone: (509) 793-1450  
E-mail: [AccountsPayable@gcpud.org](mailto:AccountsPayable@gcpud.org)

#### GC-12. PAYMENTS WITHHELD

The District may withhold the whole or part of any certificate for payment to such extent as may be reasonably necessary to protect itself from loss on account of:

- A. Defective or damaged work not remedied or warranties not met.
- B. Claims filed or reasonable evidence indicating filing of claims against the Contractor.
- C. Failure of the Contractor to make payments properly to Subcontractors or for materials, labor, or equipment.
- D. A reasonable doubt that the Contract can be completed for the balance then unpaid.
- E. Damage to or loss of District-furnished materials or District property.
- F. Contractor's failure to meet any performance warranties required by the Contract Documents.

The Contractor shall provide a contact name, address, and email address to facilitate notification if any payment, or portion of any payment, is withheld for any of the reasons above, or for missing documentation or items incorrectly invoiced. Notification shall be made via email, or shall be mailed, properly addressed and stamped with the required postage to the person designated by the Contractor.

#### GC-13. INSPECTION

The District Representative, assistants and inspectors shall have access to all places where materials are being manufactured or prepared for use under these Contract Documents and they shall have full access to facilities for unrestricted inspection during working hours of such materials, equipment and work. The District Representative, assistants and inspectors shall be authorized to record their observations in any manner reasonable, including but not limited to recording by photographs.

The District Representative shall be kept informed of the production schedules so that inspections may be adequately performed. The Contractor shall give timely notice of any changes to the production schedule requiring inspection. Examination of questioned work may be ordered by the District Representative, and, if so ordered, the work must be uncovered or made accessible by the Contractor. If such work is found to be in accordance with the Contract Documents, the District shall pay the costs of examination and restoration. If such work is found not to be in accordance with the Contract Documents, the Contractor shall bear such cost and expedite such necessary corrections.

#### GC-14. CONFLICT AND PRECEDENCE/INTENT

- A. In the event there are any conflicting provisions or requirements in the component parts of the Contract, the several Contract Documents shall take precedence in the following order:
  - 1. Change Orders
  - 2. Contract Form

3. Addenda
  4. Specific Requirements
  5. General Conditions
  6. Technical Specifications
  7. Stock Catalog Pages
  8. Instructions to Bidders
  9. Payment and Performance Bond
  10. Bid Proposal
- B. The intent of the Contract Documents is to prescribe a complete work. Contractor shall furnish all labor, tools, equipment, transportation, supplies and incidentals required to provide the materials or equipment to be supplied under this Contract. The Contract Price shall be full pay for all materials or equipment required to be provided under this Contract.

GC-15. TAXES

- A. Except for the Washington State retail sales and use taxes as may be levied upon the Contract, pursuant to RCW Chapters 82.08 and 82.12, the Contract Price includes and the Contractor shall have the full exclusive liability for the payment of all taxes, levies, duties and assessments of every nature due and payable in connection with this Contract or its employees and Subcontractors performing work related to this Contract.
- B. Washington State retail sales tax and use taxes levied upon this Contract pursuant to RCW Chapters 82.08 and 82.12 are excluded from the rates and if applicable will be reimbursed as follows:
1. If the Contractor has, or is required to have a valid Washington State sales tax identification number, the identification number shall be furnished to the District upon request. The Contractor shall make payment of any Washington State retail sales and use taxes due and Contractor shall be reimbursed by the District for the same. Contractor shall be solely responsible for any interest or penalties arising from late or untimely payment of said taxes.
  2. If the Contractor is not required to have a valid Washington State sales tax identification number, it shall notify the District of the same. In such event, the District, after receiving proper invoices from Contractor, shall make payment of said Washington State retail sales and use taxes levied upon this Contract to the Washington State Department of Revenue.

GC-16. NON-WAIVER

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



GC-17. DISTRICT REPRESENTATIVE'S STATUS, AUTHORITY AND PROTEST PROCEDURE

The District Representative shall represent the District. The District Representative has authority to stop the work whenever such stoppage may be necessary to ensure the proper execution of the Contract. The District Representative shall also have authority to reject all work, equipment, and materials which do not conform to the Contract and to decide questions which arise in the execution of the work.

Approval by the District Representative signifies favorable opinion and qualified consent. It does not carry with it certification, assurance of completeness, assurance of quality, nor assurance of accuracy concerning details, dimensions, and quantities. It is not an acceptance by the District or certification that Contractor has performed the Contract work correctly or according to Contract Documents. Such approval shall not relieve the Contractor from responsibility for errors or for deficiencies within its control.

All claims of the Contractor and all questions relating to the interpretation of the Contract, including all questions as to the acceptable fulfillment of the Contract on the part of the Contractor and all questions as to compensation, shall be submitted in writing to the District Representative for determination within the applicable time period specified in the Contract Documents.

All such determination and other instructions of the District Representative shall be final unless the Contractor shall file with the District Representative a written protest, stating clearly and in detail the basis thereof, within 10 days after the District Representative notifies the Contractor of such determination or instruction. The protest shall be forwarded by the District Representative to the District's General Manager, who shall issue a decision upon each such protest, and its decision shall be final. Pending such decision, the Contractor, if required by the District Representative, shall proceed with the work in accordance with the determination or instructions of the District Representative.

The District Representative may appoint assistants and inspectors to assist in determining that the work performed and materials furnished comply with Contract requirements. Such assistants and inspectors shall have authority to reject defective material and suspend any work that is being done improperly, subject to the final decisions of the District Representative, or to exercise such additional authority as may be delegated to them by the District Representative. All work done and all materials furnished shall be subject to inspections by the District Representative or inspector at all times during the work.

The District Representative and contact information for this Contract is listed below.

Kyle Robillard  
Public Utility District No. 2  
of Grant County, Washington  
PO Box 878  
Ephrata, WA 98823  
(509) 754-5088, Ext. 2203  
Krobillard@gcpud.org

GC-18. ACTIVITIES ON DISTRICT PREMISES

If Contractor or any of its Subcontractors or suppliers of any tier performs any activities on premises owned, leased, possessed or controlled by the District, Contractor shall:

- A. Take all precautions which are necessary to prevent injury to persons and damage to any property or the environment in connection with such activities;
- B. Release, defend, indemnify and hold harmless the District and its officers, agents, and employees from all claims, losses, harm, liabilities, damages, costs and expenses, including but not limited to reasonable attorney's fees that may arise in connection with such activities; and
- C. Maintain in effect at all times during performance of such activities Commercial General Liability insurance (including blanket contractual) with limits not less than \$1,000,000 per occurrence; automobile liability for all vehicles used under the contract for bodily injury, and property damage with limits not less than \$1,000,000 per accident; statutory workers' compensation; and employer's liability with limits not less than \$1,000,000. Without limiting the generality of the foregoing, Contractor assumes potential liability for acts brought by Contractor's employees, Subcontractors, or suppliers of any tier.
- D. Upon request, the Contractor shall promptly furnish to District such certificates of insurance and other evidence of the insurance required under this section naming the District as Additional Insured. The District shall have the right but not the obligation of prohibiting the Contractor or its Subcontractors from entering District premises until such certificates have been provided as evidence of compliance with these requirements.

**SPECIFIC REQUIREMENTS**

**SR-1. SCOPE OF SUPPLY**

The Contractor shall supply Pole Mounted Distribution Transformers manufactured in accordance with these Contract Documents.

The District is committing to purchase the distribution transformers specified in Section SR-2, however, the District shall have the unilateral right and option to purchase additional distribution transformers in accordance with Section SR-3.

**SR-2. DELIVERY**

The Contractor shall not commence any work under this Contract until after all of the following: (1) receipt of notification of Contract Award; (2) full execution of the Contract Form; (3) providing the required Payment and Performance Bond; and (4) receipt of the District issued purchase order.

Upon full execution of Contract, the District shall issue the initial purchase order and the awarded Contractor shall deliver the following units:

Bid Item No.	Voltage	Capacity (KVA)	Quantity	Delivered No Later Than	Delivery Location
1	7,620/13,200Y - 120/240	25	25	52 weeks after receipt of the District's initial purchase order	Ephrata
7	7,620/13,200Y - 277	25	25	52 weeks after receipt of the District's initial purchase order	Ephrata

Delivery of the Pole Mounted Distribution Transformers shall be within 52 weeks following notification of Contract Award. Delivery shall be F.O.B. the District's Ephrata and Moses Lake Warehouses. This shall mean that the Contractor will pay the cost of transportation to have the Pole Mounted Distribution Transformers delivered "free on board" to the following locations:

Ephrata Warehouse 154 A Street SE, Building E Ephrata, WA 98823	Moses Lake Warehouse 10216 Kinder Road Moses Lake, WA 98837
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It also shall mean that the title and risk of loss do not pass until the Pole Mounted Distribution Transformers has been inspected and moved from the conveyance.

**SR-3. DISTRICT'S RIGHT AND OPTION TO PURCHASE AN ADDITIONAL DISTRIBUTION TRANSFORMERS**

A. The District, as it deems necessary for its requirements, shall have the unilateral right and option to purchase, and the Contractor shall be required to furnish and deliver, additional distribution transformers of the type listed on the Bid Form. Such purchase shall be subject to the terms and conditions contained in these Contract Documents. The District may exercise its option to make such purchases at any time prior to December 31, 2025 by

issuing a written purchase order. Each purchase order shall specify the transformer(s) to be purchased, the F.O.B. delivery location (the District’s Ephrata Warehouse or Moses Lake Warehouse), and the required delivery date. In no event shall the delivery of the distribution transformers purchased in accordance with this section exceed the following:

1. Single phase, overhead, pole mount, Bid Item Nos. 1 through 15: 52 weeks from the purchase order date.
- B. With respect to the distribution transformers which the District may elect to purchase pursuant to Section SR-4.A, the pricing shall be at the Bid Unit Price specified on the Bid Form and adjusted according to the provisions of Section SR-7.
- C. Contractor understands and agrees that the District is only making a commitment to purchase the units specified in Section SR-2, but that the District shall have the unilateral right and option to purchase additional distribution transformers as specified in Section SR-3, but shall have no obligation of any type to make such additional purchase.

**SR-4. SHIPPING AND NOTIFICATION INSTRUCTIONS**

All materials and equipment shall be suitably packed to ensure against damage from weather or transportation and in accordance with the requirements of common carriers. See the Transportation and Handling section of the Technical Specification for additional information. The delivery address and Contract number shall be clearly marked on the outside of all packaging. Each shipment must be accompanied by a packing list, which shall reference the Contract number, the purchase order number and include item descriptions, part numbers, and quantities. Any bills of lading, shipping order or the like shall also contain the above listed information.

Advance notification of shipment of the equipment/material is required. Contractor shall notify each of the District's contacts below, 48 hours prior to delivery of shipment. Failure by the Contractor to provide the advance notification specified herein may result in delays in unloading and receipt. The costs of all such delays shall be charged to the Contractor's account.

For deliveries to the District’s Ephrata, WA Warehouse:

<b>Name</b>	<b>Phone Number</b>	<b>E-Mail</b>
Gus Mihelich Warehouse Foreman	(509) 754-5088 Ext. 2268	Amihelich@gcpud.org
Kyle Robillard, District Representative	(509) 754-5088 Ext. 2203	Krobillard@gcpud.org

For deliveries to the District’s Moses Lake, WA Warehouse:

<b>Name</b>	<b>Phone Number</b>	<b>E-Mail</b>
Gary Carpenter, Warehouse Foreman	(509) 754-5088 Ext. 3213	Gcarpen@gcpud.org
Kyle Robillard, District Representative	(509) 754-5088 Ext. 2203	Krobillard@gcpud.org

District receiving hours are Monday through Thursday, 6:30 a.m. – 12:00 p.m. and 12: 30 p.m. – 3:30 p.m. No deliveries will be received on District observed holidays or during any other times unless specific prior arrangements have been made with the District's Warehouse Foreman. District observed holidays are as follows: New Year's Day, President’s Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day, and Christmas Day. If a holiday falls on Saturday, it will be observed on the previous Friday. If a holiday falls on a Sunday, it will be observed on the following Monday.

SR-5. CODES AND STANDARDS

Design and manufacture of the specified distribution transformers shall be in accordance with applicable sections of the latest revision of the codes and standards denoted in the Technical Specifications.

SR-6. APPROVED MANUFACTURERS

The District's stock catalog pages, which are attached and made a part of the Technical Specifications, list prior approved manufacturers for supplying distribution transformers. Only currently approved manufacturers and factories shall be considered for supplying distribution transformers as specified in these Contract Documents.

SR-7. PRICE ADJUSTMENTS

A. For any distribution transformers identified on the Bid Form which the District purchases in accordance with Sections SR-2 and SR-3, the Contractor shall furnish and deliver such distribution transformers at the Bid Unit Price specified for the particular Bid Item in Contractor’s original Bid Form as adjusted by a percentage amount equal to the percentage increase or decrease of the Base Index compared to the most current final index as of 26 weeks after the date the District issues a purchase order to purchase such distribution transformers.

B. For the purpose of this section, the following definitions apply:

1. The price adjustments shall be based on the changes in the “Power and Distribution Transformers, except parts” as reported monthly by the US Bureau of Labor Statistics in the Producers Price Index (PCU335311335311). The table can be found at the following link:

<https://beta.bls.gov/dataViewer/view/timeseries/PCU335311335311;jsessionid=64266573AC1D6F77CE25A0D49A62F4A6>

For this Contract, the Base Index shall be 430.543 (March 2024 Final).

2. The methodology for calculating the Adjusted Bid Unit Price shall be as follows:

$$ABUP = (FI/BI) \times BUP$$

Where:

- ABUP Adjusted Bid Unit Price
- BI Base Index
- BUP Original Bid Unit Price specified on the Bid Form
- FI Final Index (the most current final index available on the date the District issues a purchase order)

Example:

BI = 430.543  
BUP = \$1,234.56  
FI = 450.2

ABUP =  $(450.2/430.543) \times \$1,234.56$   
ABUP = \$1,291.00 (rounded to nearest dollar)

- C. The following general conditions shall apply:
1. Price adjustments shall be rounded to the nearest U.S. Dollar (\$1.00).
  2. Should the index specified above be discontinued, or should the basis of its calculation be modified, other appropriate index or indices may be substituted by mutual agreement of the District and the successful Bidder via Change Order in accordance with Section GC-10.

SR-8. CERTIFIED TEST REPORTS

Certified test reports shall be furnished to the District at time of delivery or invoicing of transformers. Invoices must reference the serial number of each transformer and Bid Item No. No payment will become due until proper serial numbers and the corresponding certified test reports for all units of each purchase order line item have been received by the District.

SR-9. PHYSICAL SECURITY

If any performance under this Contract is to be conducted on District facilities or worksites, it shall be the responsibility of the Contractor to ensure that its employees and those of its Subcontractors are informed of and abide by the District's Security Policies as if fully set out herein a copy of which shall be provided to the Contractor by the District Representative at the preconstruction meeting or prior to beginning work. Without limiting the foregoing, Contractor and its employees shall be required to:

- A. Keep all external gates and doors locked at all times and interior doors as directed.
- B. Visibly display ID badges on their person at all times.
- C. Stay out of unauthorized areas or in authorized areas outside of authorized work hours, without express authorization from the District.
- D. Provide proper notification to the appropriate parties, and sign in and out upon entry and exit to secured locations. If unsure of who to notify, Contractor shall contact the District Representative.
- E. Immediately notify the District if any of Contractor's employees no longer need access or have left the Contractor's employment.
- F. Immediately report any lost or missing access device to the District Representative. A minimum charge will be assessed the Contractor in the amount of \$50.00 per badge and the fee for lost or non-returned keys may include the cost to re-key the plant facilities. The Contractor is strictly prohibited from making copies of keys.

- G. Not permit 'tailgating' through any controlled access point (i.e. person(s), authorized or unauthorized, following an authorized person through an entry point without individual use of their issued ID badge or key).
- H. Return all District property, including but not limited to keys and badges, to the District Representative when an individual's access to the facility is no longer needed.
- I. Guest Wireless: The District provides Guest Wireless Internet access to contractors and vendors that need to conduct business in support of the District from personally owned mobile devices such as laptops and smart phones. Contractor personnel are responsible for exercising good judgment regarding appropriate use of information, electronic devices, and network resources.

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

The District reserves the right to conduct or to require Contractor to conduct criminal background checks on its employee(s) before granting such individuals access to restricted areas of District facilities or Protected Information. Criminal background checks may be conducted in such depth as the District reasonably determines to be necessary or appropriate for the type of access to be granted. The cost of such background checks shall be borne by the Contractor.

Contractor's personnel accepting clearances, superintendents and foreman will be required to attend a safe clearance procedure training class and Contractor's orientation class prior to starting field work. Classes may last up to two hours.

**SR-10. SECURITY, SAFETY AWARENESS TRAINING, DAM SAFETY AWARENESS TRAINING, AND TRANSMISSION AND DISTRIBUTION ACCESS TRAINING**

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

The Safety and Security Awareness training is available online and is a 20-30 minute training. The training is located at: <https://www.grantpud.org/for-contractors>. All contractors and their employees are required to successfully complete Safety and Security Awareness training before coming onsite. The Security and Safety certificates should be emailed directly to [SecurityTrainingCerts@gcpud.org](mailto:SecurityTrainingCerts@gcpud.org).

District Representative shall ensure that Contractor's employees, subcontractor's and subcontractor's employees have completed and submitted the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted before any security access badges will be issued.

If applicable, Dam Safety Awareness Training is required for Contractors who are performing work in and around Priest Rapids and Wanapum Dams and are badged. The training is available online

only and is a 20-30 minute training. Contractor shall ensure that its employees, Subcontractors and Subcontractor's employees have completed, passed and printed the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted to the District Representative before any security access badges will be issued.

If applicable, Transmission and Distribution Access Training is required for Contractors, or their Subcontractors, who may hold a clearance or hotline hold order as part of performance of work under this Contract. The training is available online only and is a 20-30 minute training. Contractor shall ensure that its employees, Subcontractors and Subcontractor's employees have completed, passed and printed the certificate of completion for the training in a timely manner to avoid any delay in execution of the work. All such certificates shall be submitted to the District Representative before any security access badges will be issued.

If you are uncertain which of the above courses you or your employees must complete, please contact your District Representative.



**TECHNICAL SPECIFICATIONS**

The Technical Specifications will be posted as a separate document on the District's ProcureWare website.

**EXHIBIT “A” - BID FORM**

COMPANY NAME OF BIDDER: \_\_\_\_\_  
 (Full Legal Name)

MANUFACTURER: \_\_\_\_\_

TO: Public Utility District No. 2  
 of Grant County, Washington  
 154 A Street SE, Building E  
 Ephrata, Washington 98823

Having carefully examined Contract Documents, including any Technical Specifications and Contract Drawings as well as the premises and conditions affecting the delivery, the undersigned hereby proposes to furnish and deliver the specified equipment/material in strict accordance with these Contract Documents for the price(s) indicated below.

As evidence of good faith, a certified check, Cashier's Check or a Bid Bond in an amount not less than 5% of Total Bid Price is attached hereto. The undersigned understands and hereby agrees that should the following offer be accepted and the undersigned should fail or refuse to enter into a Contract and furnish the required Payment and Performance Bond, the undersigned's Certified Check, Cashier's Check or an amount equal to 5% of the total amount Bid shall be forfeited to the District as liquidated damages.

The Total Bid Price (calculated total of Bid Item Prices 1 through 15) shall be used in the Bid Evaluation. A price must be placed on each blank or the Bid shall not be considered. In case of an error in addition, the correctly calculated total of the Bid Item Prices (Estimated Quantity times Bid Unit Price) shall prevail.

Bid Item No.	Description	Unit Type	Estimated Quantity	Bid Unit Price	Bid Item Price
1	Stock No. 69311125, 25kVA, Pole mount, 7,620/13,200Y - 120/240 volt, T-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69311115.	Each	250	\$	\$
2	Stock No. 69311137, 37.5kVA, Pole mount, 7,620/13,200Y - 120/240 volt, T-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69311115.	Each	150	\$	\$
3	Stock No. 69311140, 50kVA, Pole mount, 7,620/13,200Y - 120/240 volt, T-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69311115.	Each	60	\$	\$

4	Stock No. 69311142, 75kVA, Pole mount, 7,620/13,200Y - 120/240 volt, T-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69311115.	Each	50	\$	\$
5	Stock No. 69311144, 100kVA, Pole mount, 7,620/13,200Y - 120/240 volt, T-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69311115.	Each	25	\$	\$
6	Stock No. 69311146, 167kVA, Pole mount, 7,620/13,200Y - 120/240 volt, T-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69311115.	Each	25	\$	\$
7	Stock No. 69315125, 25kVA, Pole mount, 7,620/13,200Y - 277 volt, T-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69315115.	Each	250	\$	\$
8	Stock No. 69315137, 37.5kVA, Pole mount, 7,620/13,200Y - 277 volt, T-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69315115.	Each	200	\$	\$
9	Stock No. 69315140, 50kVA, Pole mount, 7,620/13,200Y - 277 volt, T-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69315115.	Each	75	\$	\$
10	Stock No. 69315142, 75kVA, Pole mount, 7,620/13,200Y - 277 volt, T-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69315115.	Each	50	\$	\$
11	Stock No. 69315144, 100kVA, Pole mount, 7,620/13,200Y - 277 volt, T-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69315115.	Each	30	\$	\$
12	Stock No. 69315146, 167kVA, Pole mount, 7,620/13,200Y - 277 volt, T-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69315115.	Each	25	\$	\$

13	Stock No. 69321225, 25kVA, Pole mount, 7,200/12,470Y - 120/240 volt, G-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69321215.	Each	10	\$	\$
14	Stock No. 69321237, 37.5kVA, Pole mount, 7,200/12,470Y - 120/240 volt, G-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69321215.	Each	10	\$	\$
15	Stock No. 69321240, 50kVA, Pole mount, 7,200/12,470Y - 120/240 volt, G-type. Per Technical Specifications 16321.1C and Stock Catalog Page 69321215.	Each	10	\$	\$
<b>TOTAL BID PRICE</b>					\$

Prices are F.O.B. the location specified in the Contract Documents. The Total Bid Price includes the cost of the Payment and Performance Bond required by Contract Documents but do not include Washington State and Local Taxes.

The above quantities are estimated quantities. Payment shall be made by Bid Item based on the actual quantity of the Bid Items completed satisfactorily, up to the amount of the Contract Price. **The undersigned acknowledges and understands the District is committing to purchase the units and quantities listed in SR-2 only and may terminate this Contract after that point without incurring any additional cost (see Section SR-3).** Yes \_\_\_ No \_\_\_

Prompt Payment Discount of 2% 10 days (see Section GC-2). Bidder understands and accepts the Prompt Payment Discount. Yes \_\_\_ No \_\_\_

Bidder has enclosed a Cashier's Check, Certified Check or Bid Bond in accordance with Instructions to Bidders Section 9. Yes \_\_\_ No \_\_\_

Bidder shall deliver all materials/equipment in accordance with Sections SR-2 and SR-3. Yes \_\_\_ No \_\_\_

Bidder (full legal name):	
Street Address:	
Mailing Address:	
City, State, and Zip Code:	
Phone:	
Email:	

The District uses DocuSign to sign the final Contract Form following Contract Award. Please provide the following information for the person who will be signing the final Contract Form in the event you are the successful Bidder.

Name: \_\_\_\_\_ Title: \_\_\_\_\_ Email: \_\_\_\_\_

Washington State Unified Business Identifier (UBI) No.	
Washington State Sales Tax ID Number	

We hereby certify that we are not required to have a Washington State Sales Tax Identification Number for this work:

Attached hereto is the Bid proposal and all Bidder's Data required in support of this Bid.

Addendum Nos. (list all) \_\_\_\_\_ have been received and have been considered in preparing this Bid.

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

Name (Print): \_\_\_\_\_ Date: \_\_\_\_\_  
 Authorized Representative

Location or Place Executed (City and State): \_\_\_\_\_

**Note: Failure to sign the Bid Form above shall result in rejection of the Bid. Digital signatures are not allowed on the Bid Form.**

**EXHIBIT "B" - BID BOND**

**KNOW ALL MEN BY THESE PRESENTS:** That we \_\_\_\_\_ (hereinafter called "the Principal"), as Principal, and \_\_\_\_\_ duly licensed for the purpose of making, guaranteeing or becoming sole surety upon bonds or undertakings required or authorized by the laws of the State of Washington, as Surety, are held and firmly bound unto PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON (hereinafter called "the Obligee") in the penal sum of \$ \_\_\_\_\_ lawful money of the United States of America, for the payment of which, well and truly to be made, we hereby bind ourselves and each of our successors and assigns, jointly and severally, firmly by these presents.

**THE CONDITION OF THIS OBLIGATION IS SUCH THAT,** if the Obligee shall make any award to the Principal for \_\_\_\_\_ according to the terms of the proposal or Bid made by the Principal therefore, and the Principal shall duly make and enter into a contract with the Obligee in accordance with the terms of said proposal or Bid and award and shall give bond for the faithful performance thereof with the \_\_\_\_\_, as Surety, or with other Surety or Sureties approved by the Obligee, or if the principal shall, in case of failure so to do, pay to the Obligee the penal amount of the deposit specified in the call for Bids, then this obligation shall be null and void; otherwise it shall be and remain in full force and effect, and the Surety shall forthwith pay and forfeit to the Obligee, as penalty and liquidated damages, the amount of this bond.

**IN WITNESS WHEREOF,** said Principal and said Surety have caused these presents to be duly signed and sealed this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

PRINCIPAL

SURETY

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

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

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

\* Bidder shall attach Power of Attorney for person signing on behalf of Surety.

**EXHIBIT "C" - CONTRACT FORM**

This Agreement, effective upon full execution, is by and between Public Utility District No. 2 of Grant County, Washington ("District") and Full Legal Name of Contractor ("Contractor");

**WITNESSETH:**

That parties hereto for the considerations set forth in the Contract Documents agree as follows:

1. SCOPE OF WORK - The Contractor agrees to furnish Pole Mounted Distribution Transformers in the manner and form provided by the Contract Documents 170-11949 made a part hereof, entitled Supplying Pole Mounted Distribution Transformers.
2. DELIVERY - The Contractor shall deliver the equipment/materials, F.O.B. the District's Ephrata and Moses Lake Warehouses. The Contractor shall deliver the equipment/materials on or before the dates specified in these Contract Documents; failure to do so may result in damage to the District.
3. PAYMENT - The District agrees to pay the Contractor for the equipment/materials to be provided the not to exceed sum of \$ \_\_\_\_\_, subject to the Prompt Payment Discount provision (see Section GC-2), plus applicable Washington State Sales Tax in accordance with the Contract Documents.
4. PAYMENT AND PERFORMANCE BOND - The Contractor shall furnish in favor of the District, a Payment and Performance Bond as required by the Contract Documents, and this Contract shall not obligate the District until such Payment and Performance Bond has been tendered.

The parties to this Agreement have caused it to be executed on the dates indicated below. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

Public Utility District No. 2  
of Grant County, Washington

Full Legal Name of Contractor

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

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

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

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

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

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

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

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

**EXHIBIT "D" - PAYMENT AND PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS, That \_\_\_\_\_  
of \_\_\_\_\_  
, (hereinafter called the "Principal"), and \_\_\_\_\_,  
as Surety, are jointly and severally held and bound unto PUBLIC UTILITY DISTRICT NO. 2 OF GRANT  
COUNTY, WASHINGTON (hereinafter called the "District"), in the sum of \$\_\_\_\_\_ for the  
payment of which we jointly and severally bind ourselves, our heirs, executors, administrators and assigns,  
and successors and assigns, firmly by these presents.

This bond is executed pursuant to and compliance with Chapter 39.08, Revised Code of  
Washington, and all rights and remedies under this bond shall be determined in accordance therewith.

THE CONDITION of this bond is such that, WHEREAS, the said Principal herein, executed a  
certain contract with the District, by the terms, conditions and provisions of which contract the said  
Principal herein, agrees to furnish all material and do certain work, to-wit:  
\_\_\_\_\_ per the  
Contract Documents made a part of said contract, which contract as so executed is hereunto attached, is  
now referred to and by reference is incorporated herein and made a part hereof as fully for all purposes as  
if here set forth at length.

NOW, THEREFORE, if the Principal herein shall faithfully and truly observe and comply with the  
terms, conditions and provisions of said contract in all respects, including all guarantees and warranties  
arising thereunder, and shall well and truly do and perform all matters and things by it undertaken  
to be performed under said contract, upon the terms proposed therein and within the time prescribed therein,  
or within such extensions of time as may be granted under said contract and shall hold the District harmless  
from all costs and damages (including reasonable legal fees) which it may incur by reason of any failure to  
do so, and shall fully reimburse and repay the District for all expense which it may incur in making good  
any such failure of performance on the part of the Principal, and shall pay all laborers, mechanics, and  
subcontractors and material suppliers, and all persons who supply such person or persons, or subcontractors,  
with provisions and supplies for the carrying on of such work and shall fully reimburse the District for any  
excess in cost of construction over the cost set in the contract and any amendments thereto, occasioned by  
any default of the Principal under the contract and any amendments thereto, then this obligation shall be  
null and void, but otherwise shall remain in full force and effect.

No prepayment or delay in payment and no change, extension, addition, or alteration of any  
provision of the Contract agreed to between the Contractor and the District, and no forbearance on the part  
of the District, shall operate to relieve surety from any liability on this bond, and consent to make these  
alterations without further notice to or consent by the surety is hereby given.

The Surety for value received agrees that no change, extension of time, alteration or addition to the  
terms of the Contract, the specifications accompanying the Contract, or to the work to be performed under  
the Contract shall in any way affect its obligation on this bond, except as provided herein, and waives notice  
of any change, extension of time, alteration or addition to the terms of the Contract or to the work performed.  
The Surety agrees that modifications and changes to the terms and conditions of the Contract that increase  
the total amount to be paid to the Principal shall automatically increase the obligation of the Surety on the  
bond and notice to Surety is not required for such increased obligation.



Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

"PRINCIPAL"

\_\_\_\_\_  
Full legal company name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name

"SURETY"

\_\_\_\_\_  
Full legal company name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name

Address of local office and agent, and home  
offices of Surety Company:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\* Contractor shall attach Power of Attorney for person signing on behalf of Surety.

**EXHIBIT "E" - CHANGE ORDER**

NO. \_\_

Pursuant to Section GC-10, the following changes are hereby incorporated into this Contract:

- A. Description of Change:
  
- B. Time of Completion: The revised delivery date shall be \_\_\_\_\_.  
*OR*  
 The delivery date shall remain \_\_\_\_\_.
  
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall remain unchanged (be increased/decreased by the sum of \$\_\_\_\_\_ plus sales tax). This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$\_\_\_\_\_, including changes incorporated by this Change Order.
  
- D. Except as specifically provided herein, all other Contract terms and conditions shall remain unchanged.

Public Utility District No. 2  
of Grant County, Washington

Full Legal Name of Contractor

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

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

Name of Authorized Signature  
Title

Name of Authorized Signature  
Title

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

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

**EXHIBIT “F” – STOCK CATALOG PAGES**

The Stock Catalog Pages will be posted as a separate document on the District’s ProcureWare website.

**EXHIBIT "G" – DISTRICT INSTRUCTIONS**

No. \_\_\_\_\_

Contract No.:	170-11949	Drawing No. (if applicable):	
Project Name:			

This Instruction is issued in accordance with the terms and conditions of the Contract Documents as:

- 1. An interpretation of Contract Documents, or
- 2. An order to proceed immediately with minor changes not affecting Contract Price or time for completion of the work.

INSTRUCTION:

Sample Only

DO NOT PROCEED with the Instruction 1 or 2 above if you believe this Instruction shall provide the basis for a claim or increase in the Contract Price or time for completion of the work. By signing this Instruction, Contractor hereby agrees that as a result thereof, there shall be no change in Contract Price or time of completion and waives any claim relating thereto.

RECEIPT ACKNOWLEDGED AND INSTRUCTION ACCEPTED:

Public Utility District No. 2  
of Grant County, Washington

Full Legal Name of Contractor

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

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

Name of Authorized Signature  
Title

Name of Authorized Signature  
Title

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

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

## COMMERCIAL EVALUATION

<b>Contract No.:</b>	170-11949	<b>Contract Title:</b>	Supplying Pole Mounted Distribution Transformers
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<b>Bid Opening Date</b>		05/22/2024	
<b>Total No. of Bidders:</b>		3	
<b>Was prequalification required for bidding?</b>		No	
<b>No. of potential Bidders who obtained the Bid documents:</b>		33	
<b>Was this Bid advertised in the newspaper?</b>	Yes	<b>If yes, where?</b>	Columbia Basin Herald
<b>Addenda issued?</b>	No	<b>If yes, how many</b>	N/A

**Additional Information**

15%: \$3,477,197.50
---------------------

<b>Cost Estimate:</b>	<b>\$3,023,650.00</b>
-----------------------	-----------------------

**Bidders**

<b>Name of Bidder:</b>	Stuart C Irby Co. dba Irby Electrical Utilities		
<b>Total Bid Price:</b>	\$3,103,215.00	<b>Bid Security:</b>	Bid Bond
<b>Signature Certification:</b>	NA	<b>Delivery / Completion:</b>	As required
<b>Addendum Received:</b>	N/A	<b>Bidder's Data Provided:</b>	Yes
<b>Commercially Compliant?</b>	Yes	<b>Technically Compliant?</b>	Yes

**Additional Information:**

Quoting Central Moloney Supplemental Bid Data Sheets provided
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<b>Name of Bidder:</b>	Anixter/Wesco		
<b>Total Bid Price:</b>	\$3,322,655.00	<b>Bid Security:</b>	Bid Bond
<b>Signature Certification:</b>	NA	<b>Delivery / Completion:</b>	As required
<b>Addendum Received:</b>	N/A	<b>Bidder's Data Provided:</b>	Yes
<b>Commercially Compliant?</b>	Yes	<b>Technically Compliant?</b>	Yes

**Additional Information:**

Quoting Central Moloney Supplemental Bid Data Sheets provided
--

<b>Name of Bidder:</b>	General Pacific		
<b>Total Bid Price:</b>	\$4,199,250.00	<b>Bid Security:</b>	Bid Bond
<b>Signature Certification:</b>	NA	<b>Delivery / Completion:</b>	As required
<b>Addendum Received:</b>	N/A	<b>Bidder's Data Provided:</b>	Yes
<b>Commercially Compliant?</b>	No (see below)	<b>Technically Compliant?</b>	No (see add'l information)

Additional Information:

-Quoting Ermco -Total Bid Price exceeds Engineers Estimate by more than 15% -Multiple exceptions taken by Ermco, including exception to SR-7 Price Adjustments, which may be grounds for rejection of Bid in accordance with ITB 7.D.
---

<b>Name of Bidder:</b>			
<b>Total Bid Price:</b>	\$	<b>Bid Security:</b>	Choose an item.
<b>Signature Certification:</b>	NA	<b>Delivery / Completion:</b>	Choose an item.
<b>Addendum Received:</b>	Choose an item.	<b>Bidder's Data Provided:</b>	Choose an item.
<b>Commercially Compliant?</b>	Choose an item.	<b>Technically Compliant?</b>	Choose an item.

Additional Information:

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RESOLUTION NO. XXXX

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

Recitals

1. Grant PUD has a Governance Policy adopted August 31, 2009 by Resolution No. 8402, and as amended by Resolution Nos. 8517, 8708, 8815, 8918, 8963, 8982, 8991 and 9013; and
2. Grant PUD has reviewed and desires to update its Governance Policy.

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

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

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

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 23<sup>rd</sup> day of July, 2024.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

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

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

# GOVERNANCE POLICY



**Exhibit A**  
**Resolution No. 9013**  
**April 11, 2023**

Revised – Resolution No. 8991  
Revised – Resolution No. 8402  
Revised – Resolution No. 8517  
Revised – Resolution No. 8708  
Revised – Resolution No. 8815  
Revised – Resolution No. 8918  
Revised – Resolution No. 8963  
Revised – Resolution No. 8982



## Table of Contents

<u>Policy</u>	<u>Title</u>	<u>Page</u>
1	Purpose of the Commission .....	1
2	Governance Focus .....	1
3	Commission Member Job Description .....	2
4	General Meeting Rules .....	3
5	Presiding Officer .....	4
6	Commission Meeting Agenda .....	4
7	Motions.....	5
8	Voting .....	5
9	Audience Participation (Addressing the Commission) .....	6
10	Filling Commission Vacancies .....	6
11	Executive Sessions .....	6
12	Criminal Convictions & Violations of the Code of Ethics.....	7
13	Preserving the Attorney Client Privilege.....	7
14	Good Faith Cooperation with Insurance Carrier .....	7
15	Ultra Vires Actions .....	7
16	Violations of Commission Rules of Proceedings.....	7
17	Role of Commission President .....	8
18	Role of the Commission Vice-President .....	8
19	Role of the Commission Secretary .....	9
20	Commission Members' Code of Conduct.....	9
21	Board Training, Orientation .....	11
22	Commission Review of District Public Records.....	12
23	Commission Committees .....	12
24	Unity of Control .....	13
25	Commission-General Manager / CEO Relationship.....	13
26	Commission-General Counsel / CLO Relationship .....	14
27	Commission Relationship w/ Auditor and Treasurer .....	15
28	Delegation to the General Manager / CEO .....	16
29	Budget & Procurement Authority .....	17
30	Financial Policies.....	17
31	Amendment of These Rules.....	17

## 1 Purpose of the Commission

- A The Commission is the legislative body of Public Utility District No. 2 of Grant County, Washington pursuant to the Public Utility District Act, RCW Title 54, and all other applicable statutes and laws. The powers of the District are exercised through a five-member Commission pursuant to RCW 54.12.010.
- B The purpose and responsibility of Grant County PUD's Commission, on behalf of the customers of Grant County, is to provide oversight and democratic decisions that enable Grant County PUD to fulfill its mission of generating and delivering power and other services to its customers in a cost-effective and efficient manner.
- C Accordingly the Commission will:
1. Identify and define the purpose, values, vision, and strategic direction of the District, along with the results the District is to achieve, and communicate them in the form of policy.
  2. Identify and define those results or conditions of the District that are acceptable and not acceptable to the Commission and communicate them in the form of policy.
  3. Make operational decisions designated by statute.
  4. Hire, evaluate, and terminate the General Manager / CEO.
  5. Hire, evaluate, and terminate the General Counsel / CLO.
  6. Appoint or remove the Treasurer.
  7. Appoint or remove the Auditor.
  8. Review and approve the budget in a timely manner.

## 2 Governance Focus

- A The Commission will govern with an emphasis on:
1. Strategic leadership.
  2. Encouragement of diversity in viewpoints.
  3. Clear distinction of Commission and General Manager / CEO roles.
  4. Collaborative rather than individual decisions.
  5. The future and present.
  6. Being proactive rather than reactive.
- B Specifically:
1. The Commission is responsible for excellence in governing.
  2. The Commission will direct, evaluate and inspire the organization through the careful establishment of written policies reflecting the Commission's values and vision.

3. The Commission's major policy focus will be on Grant County PUD's long-term impacts outside the organization, not on the administrative or programmatic means of achieving those effects. The Commission relies upon the expertise and diversity of its individual members to enhance the ability of the Commission as a body.
4. The Commission will establish and adhere to the standards needed to govern with excellence. Standards will apply to matters such as attendance at meetings, preparation for meetings, policymaking principles and codes of conduct.

### **3 Commission Member Job Description**

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

B Specifically, Commissioners will:

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

11. Evaluate and determine compensation for the General Manager / CEO and General Counsel / Chief Legal Officer (Appointees). The Commission's evaluation criteria will focus on the District's strategic objectives.
  - a) Complete written mid-year evaluation of Appointees. The Commission will communicate any additional goals or objectives at the time of subsequent evaluation. At this time, the Commission will also determine proper Appointee compensation for the following calendar year.
  - b) Complete verbal year-end evaluation of Appointees. The Commission will communicate any new goals or objectives during the subsequent evaluation.
12. Develop and use outreach mechanisms to ensure the Commission hears the strategic viewpoints and values of its customer/owners, the community and other interested stakeholders. Community relations shall be an ongoing activity for all Commission members.
13. Take such other actions as may be required by law.

#### **4 General Meeting Rules**

- A The Commission may excuse an absent member by a majority vote. The Clerk of the Board will note in the minutes whether the member's absence was excused or un-excused. If a Commissioner anticipates an extended period of nonattendance in excess of 45 days, or is absent for a period of time in excess of 45 days, the Commission may excuse the absence by a majority vote in order to protect the Commissioner's position under RCW 54.12.010 prior to the 59th day of nonattendance. The Clerk of the Board shall note in the minutes whether the member's absence is excused or un-excused for the period.
- B Journal of Proceeding: A journal of all proceedings (minutes) of the Commission, except executive sessions, shall be kept in hardcopy and electronic form by the Clerk of the Board or their designee constituting the official record of the Commission. All Commission meetings and workshops held in the Ephrata Commission room, except executive sessions, shall be audio recorded, unless prevented by technical difficulties, and retained in accordance with State retention guidelines.
- C Right of Floor: Any members desiring to speak shall first be recognized by the Chair.
- D Decorum: All members, employees, and members of the public shall preserve order, decency and decorum at all times while the Commission is in session. No member shall, by conversation or otherwise, delay or interrupt the proceedings or the peace of the Commission, nor disturb any member who is speaking. No member shall refuse to obey an order of the Chair. Members shall confine their remarks to the subject under consideration. Discussion shall relate to the subject under consideration and shall be relevant and pertinent thereto so as to provide for the expeditious disposition and resolution of the District's business. No member shall use any impertinent, degrading or slanderous language as to any

other member, staff, or public. There shall be no lectures, speeches or grandstanding.

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

## 5 Presiding Officer

- A **President:** The President shall preside at meetings of the Commission, and be recognized as the head of the Commission for all ceremonial purposes. In case of the President's absence or temporary disability, the Vice-President shall act as President during the continuance of the absence. The President is referred to as the "Chair" or "Presiding Officer" from time-to-time in this Governance Policy.
- B **Call to Order:** The meetings of the Commission shall be called to order at the appointed time by the President or, in his absence, by the Vice-President. In the absence of both the President and Vice-President, the meeting shall be called to order by the Secretary.
- C **Preservation of Order:** The President shall preserve order and decorum; prevent attacks on personalities or the impugning of member's or public motives and confine members or public in debate to the question under discussion.
- D **Points of Order:** The President shall determine all points of order, subject to the right of any member to appeal to the Commission. If any appeal is taken, the question shall be "Shall the decision of the President be sustained?"
- E **Questions to be stated:** The President shall state all questions submitted for a vote and announce the results. A roll call shall be taken upon request of any member.
- F **President-Voting Powers:** The President shall vote on motions or other matters to be decided by the Commission unless he or she has abstained from discussion or debate and voting on an agenda item due to an announced conflict of interest.

## 6 Commission Meeting Agenda

- A The General Manager / CEO shall arrange a list of proposed matters according to the order of business and prepare an agenda for the Commission. A copy of the agenda and supporting materials shall be prepared for Commission members, the General Manager / CEO, and the press on or before the close of business on the Thursday before the regular Commission meeting.
- B The Consent Agenda may contain items which are of a routine and non controversial nature and may include, but are not limited to the following; meeting minutes, vouchers, travel, and trade association appointments. Any item on the Consent Agenda may be removed and considered separately as an agenda item at the request of any Commission member or any person attending a Commission meeting.

- C Members of the Commission, General Manager / CEO, or designee, will have the opportunity to discuss/recommend business or other matters for placement on future agendas. In addition, at each regular Commission meeting, time will be allowed for any Commission member, the General Manager / CEO, or designee to bring before the Commission any business that should be discussed or deliberated upon.
- D In the event of a natural disaster, attack or notice of imminent attack, where it becomes imprudent, inexpedient or impossible to conduct the affairs of the District at the regular or usual place, the Commission may meet at any place within or without its territorial limits on the call of the presiding President or any three members of the Commission. After any emergency relocation, the affairs of the District shall be conducted at such emergency temporary location for the duration of the emergency (RCW 42.14.075).

## **7 Motions**

- A Members who wish to make a motion must first be recognized by the Presiding Officer. After the member makes a motion (and after the motion is seconded if required), the chair must restate it or rule it out of order, then call for discussion.
- B Most motions require a second, although there are some exceptions: nominations, points of order, and requests to remove an item from the consent agenda. The Presiding Officer will state the motion and call for the vote.
- C Motions for reconsideration must be made by a member from the prevailing side; any member may make the second. The following rules apply to motions for reconsideration: Motion must be in a timely manner but in no instance more than six (6) months after the original action. When (6) months have elapsed, any member may bring the item before the Commission.

## **8 Voting**

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

## 9 Audience Participation (Addressing the Commission)

- A **Agenda Items:** Anyone desiring to speak to the Commission on an agenda item must sign the meeting register and indicate their desire to speak to the Presiding Officer at the beginning of the meeting unless otherwise recognized by the chair. This will generally take place during the public comment period of the meeting.
- B **Non-Agenda Items:** Anyone desiring to speak to the Commission on a non-agenda item shall sign the meeting register and indicate their desire to speak to the Chair at the beginning of the meeting. The Presiding Officer, at his or her discretion, may permit such persons to address the Commission and has the authority to limit the time for comment to three (3) minutes unless a longer period of time was either pre-arranged with the Clerk of the Board and/or is allowed by the Board President.
- C **Manner of Addressing the Commission:** Each person addressing the Commission shall step up to the microphone, give his/her name, address and city of residence and subject matter of comments in an audible tone of voice for the record. All comments shall be made to the entire Commission and not to any single member nor to staff. Any questions for Commission members or staff shall be presented through the Presiding Officer. The Commission will determine the disposition of any issues raised (e.g., placed on the present agenda, workshop, other agendas, refers to staff, or do not consider).
- D **Conduct of Audience:** All audience members shall abide by the rules of decorum contained in Section 4, General Meeting Rules, paragraph "D" entitled "Decorum". No audience member shall disrupt the conduct of the meeting or cheer, hoot, holler, gesture, whistle, guffaw, jeer, boo, hiss, make remarks out of turn, use profanity, or the like. Any audience member who does so shall be determined out of order and the Presiding Officer may have such person removed from the Commission chambers immediately. Such person shall not be permitted to attend the remainder of that Commission meeting.

## 10 Filling Commission Vacancies

- A Notice of Vacancy. If a Commission vacancy occurs, the Commission will follow the procedures outlined in RCW 42.12.070. In order to fill the vacancy with the most qualified person available until an election is held, the Commission will widely distribute and publish a notice of vacancy and the procedure and deadline for applying for the position.
- B Letters of Interest. The Commission will announce the vacancy and will accept letters of interest from any interested person for no less than 30 days from the time of official public announcement. The Commission will review the letters of interest and/or interview the applicants. The Commission will select and appoint a qualified person to the vacant Commission seat.

## 11 Executive Sessions

- A If the Commission convenes an executive session to discuss what is permitted by law, there is no valid reason to disclose publicly what was discussed and reviewed

privately. Everything which is discussed during an executive session, and all written materials that are reviewed during an executive session, shall be considered confidential and no Commission member shall publicly disclose any such information. The Commission finds that disclosing publicly what was discussed and reviewed during an executive session undermines the whole purpose of meeting in executive session. Public disclosure may be made in the event a majority of the Commission members vote to approve the public disclosure prior to its disclosure. Any request for such a vote shall be first raised during an executive session for discussion purposes prior to a vote in open session.

## **12 Criminal Convictions & Violations of the Code of Ethics**

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

## **13 Preserving the Attorney Client Privilege**

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

## **14 Good Faith Cooperation with Insurance Carrier**

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

## **15 Ultra Vires Actions**

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

## **16 Violations of Commission Rules of Proceedings**

- A These Rules of Procedure/ Proceedings are adopted with the intent that they be fully enforceable and that violations thereof result in Commission action against members as provided herein and pursuant to RCW Title 54 and Title 42.23, as now enacted or hereafter amended. Any violation of these Rules of Procedure/ Proceedings is deemed to constitute disorderly conduct by such member.
- B Any claim of violation of the Governance Policy must be made in writing by a Commission member and filed with the President and made a part of the minutes of the Commission meeting where the charge is first considered.



- C Members violating any other Rules of Procedure shall be subject to admonition for the first violation of a particular rule and reprimanded for subsequent violations.
- D **Admonition:** An admonition shall be verbal vote in open session, recorded in the minutes, made by the Commission to the member.
- E **Reprimand:** A reprimand shall be administered to the member by letter. The letter shall be prepared by the Commission after action in open session to approve such letter. If the member objects to the contents of such letter, he/she may file a request for review of the content of the letter of reprimand with the Commission. The Commission shall review the letter of reprimand based upon the request for review and any record established, and may take whatever action appears appropriate under the circumstances.

## 17 **Role of Commission President**

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

## 18 **Role of the Commission Vice-President**

- A The Vice-President of the Commission shall:
  1. Perform such duties as are assigned by the President.

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

## 19 **Role of the Commission Secretary**

A The Secretary of the Commission shall:

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

## 20 **Commission Members' Code of Conduct**

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

B Specifically:

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

5. Commission members will adhere to the Grant County PUD policy on appropriate use of District resources.
6. Commission members will become familiar with their individual and joint obligations pertaining to the District's directive on reporting alleged improper governmental action, including actions required of the Commission regarding employee complaints of alleged improper governmental actions and/or employee claims of retaliation for reporting alleged improper governmental actions.
7. Commission members understand that all letters, memoranda and/or interactive computer or electronic information (including e-mail), the subject of which relates to the conduct of the District or the performance of any District function, are public records and may also be subject to disclosure under the Washington Public Records Act. Upon request, any such public records shall be provided to the Public Records Officer for inclusion in the District's records management program.
8. Commission members shall demonstrate loyalty to the interests of Grant County PUD's owners/ratepayers. This loyalty supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Commission member acting as a consumer of the District's activities.
9. Commission members may not attempt to exercise individual authority over Grant County PUD except as explicitly set forth and authorized in Commission policies.
  - a) Commission members recognize the lack of authority vested in them as individuals in their interactions with the General Manager / CEO and with staff, except where explicitly authorized by the Commission.
  - b) In interactions with the public, press or other entities, Commission members must recognize the same limitation and the inability of any Commission member to speak for the Commission except to repeat explicitly stated and adopted Commission decisions.
  - c) Commission members shall not lead the public or media to have the impression that the General Manager / CEO, General Counsel / CLO, Auditor, or Treasurer is out of compliance with policies absent a determination of non-compliance by the Commission.
10. In accordance with Washington's Open Public Meetings Act, Commission members:
  - a) Shall not meet as a quorum outside of Commission-called public meetings to hold discussions or make decisions as defined in RCW 42.30, regarding the business of the District.
  - b) Shall not meet as a quorum with staff outside of a Commission-called public meeting for the purpose of gathering information.
  - c) Understand that the requirements of the Washington Open Public Meetings Act applies to communications via telephone, e-mail, instant messaging or other forms of electronic communications. Any

exchange of communication between more than two Commission members may constitute an official meeting of the Commission and be in violation of the Act.

- d) Commission members may send information to other members of the Commission on an informational basis; however, replies and/or exchanges of communications with more than one Commissioner regarding District business must not occur outside of an official public meeting of the Commission. Any such e-mail sent for informational purposes as described above, by any member of the Commission, shall be sent individually, not as group e-mail. Commissioners will not "reply" to any e-mail received by all other members of the Commission.
  - e) Commission members may not evade the requirements of the Open Public Meetings Act through use of "serial meetings", that is a series of smaller gatherings or use of a go-between such that the majority of Commissioners are not together but through the collection of other interactions the majority intend to take action. This includes but is not limited to: a series of telephone calls, multiple meetings between different groups of two Commissioners and e-mail communications between multiple Commissioners for the purpose of coordinating a decision.
11. Members will respect the confidentiality appropriate to issues regarding personnel, real estate transactions, proprietary matters, and attorney-client privileged communications, including those requirements listed under RCW 42.30.110, Executive Sessions and including any other confidential information gained by reason of the Commissioner's position.

## 21 **Board Training, Orientation**

- A The Commission shall ensure that its skills are sufficient to assure excellence in governance of Grant County PUD.
- B Specifically:
  - 1. New Commission members shall receive training and orientation in Commission governance, policies and procedures.
  - 2. New Commission members shall receive an orientation on the District's Strategic Plan.
  - 3. New Commission members shall receive other general orientation in the organization and operation of the District by the General Manager / CEO and/or his designate.
  - 4. Commission members shall receive training in the skills of effective communication and decision-making.
  - 5. The Commission President shall receive training in the facilitation of public meetings.

## 22 **Commission Review of District Public Records**

- A Grant County PUD has a duty to comply with appropriate public records requests as prescribed in the Washington Public Records Act. Commissioners do not give up their status as members of the public and therefore can request such information.
- B Because of the special status conferred upon the Commissioners as elected representatives, each Commissioner agrees that:
1. Commission member requests to inspect District documents that do not meet the criteria of a "public record" under RCW 42.56 and/or which may be confidential in nature, shall be forwarded directly to the General Manager / CEO, who will provide the requested files, as allowed by law, for review on District premises.
  2. No confidential or original documents shall be taken from District premises except with the authorization of the Commission or General Manager / CEO.
  3. Commission members shall adhere to the same confidentiality requirements applicable to employees when dealing with the District's records and other documents.
  4. District employee personnel files will not be subject to Commission review pursuant to the District's policies relating to employee records confidentiality and access except this limitation shall not apply to Commission appointees.
  5. Access to District public records may be achieved by making a verbal or written request to the General Manager / CEO, General Counsel / CLO, or Clerk of the Board. The requested material will be provided to all five board members.

## 23 **Commission Committees**

- A The Commission may establish ad hoc advisory and standing committees.
- B The Commission will review the committees at least annually to determine whether they should continue.
- C Specifically:
1. Committees will ordinarily assist the Commission by gaining education, considering alternatives and implications, and preparing policy alternatives.
  2. Commission committees may not speak or act for the Commission, except when formally given such authority for specific and time-limited purposes.
  3. Commission committees cannot exercise authority over staff nor interfere with the delegation from the Commission to the General Manager / CEO.
  4. Participation in committee meetings shall be in compliance with the provisions of the Open Public Meetings Act, in that if three or more

Commission members are present, then the meeting must be properly noticed as a public meeting.

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

## 24 **Unity of Control**

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

B Specifically, in or out of Commission Meetings:

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

## 25 **Commission-General Manager / CEO Relationship**

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

B The Commission is responsible for the following:

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

- C The General Manager / CEO is responsible for the following:
1. All operations of the District as well as the business affairs of the District.
  2. Achieving the results established by the Commission within the appropriate and ethical standards of business conduct set by the Commission.
  3. Enforcing District resolutions, administering directives, staff policies and procedures, hiring and terminating all employees, attending meetings of the Commission and reporting on the general affairs of the District, and keeping the Commission advised as to the current and future business needs of the District.
  4. Appointing a person to serve as the District's Chief Financial Officer. This will be a person with sufficient education and experience to fulfill the duties of the position. Together with the chief financial officer, the General Manager / CEO shall ensure that, to the best of their knowledge and belief, financial reports are complete and reliable in all material respects.
  5. Ensuring the smooth continuous operation of the District in the event of the planned or unplanned absence of the General Manager / CEO.
  6. Interacting with the public and other utilities and government agencies, pursuant to policies and direction adopted by the Commission.
  7. At the direction and oversight of the Commission, the General Manager / CEO and Chief Financial Officer, or their designees, shall jointly serve as the chief liaison with all external audit agencies, shall coordinate the proper independent audit of annual financial statements, and shall ensure that the results and findings of such audits are reported to the Commission. In acting in this capacity, the General Manager / CEO does not relieve the Commission of its oversight responsibility
  8. Perform other responsibilities as may be appropriately delegated by the Commission.

## 26 **Commission-General Counsel / CLO Relationship**

- A The General Counsel / CLO provides legal counsel to the District and to the Commission. The General Counsel / CLO reports both to the Commission and to the General Manager / CEO.
- B The Commission is responsible for hiring and terminating the General Counsel / CLO.
- C The General Counsel / CLO shall advise the Commissioners regarding potential conflict of interest issues or ethical matters. General Counsel shall provide assistance to individual Commissioners in complying with applicable statutes and laws only when such advice does not conflict with the General Counsel's obligations to the District or to specific direction of the Commission.
- D The Commission is responsible for evaluating the General Counsel's / CLO's performance. The Commission shall solicit the General Manager / CEO's input in evaluating the performance of the General Counsel.

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

## **27 Commission Relationship w/ Auditor and Treasurer**

- A The District Auditor (Auditor) and District Treasurer (Treasurer) serve in the capacity set forth by Title 54 of the Revised Code of Washington.
- B The Commission is responsible for appointing or removing the Auditor and the Treasurer. The Commission, by resolution, shall designate an Auditor and this person shall be a District employee other than the General Manager / CEO or Treasurer. The Commission, by resolution, shall designate a person other than the County Treasurer to be District Treasurer and this person shall be a District employee other than the General Manager / CEO or Auditor. The Auditor and Treasurer shall perform those duties specified by RCW 54.24.010 and shall be granted direct access to the Commission at the request of the Auditor, Treasurer or Commission, but not less than quarterly in the performance of these duties.
- C The Auditor shall report to the Chief Legal Officer for all administrative matters, including hiring, performance evaluations, salary administration, employee benefits, and terminations. The Treasurer shall report to the Chief Financial Officer for all administrative matters, including hiring, performance evaluations, salary administration, employee benefits, and terminations.
- D The Treasurer or Deputy Treasurer shall provide quarterly reports to the Commission summarizing cash and investment activity, and provide other reports to the Commission as necessary related to the duties of the Treasurer or as requested by the Commission.
- E The Auditor or Deputy Auditor shall issue warrants for claims against the District. As soon as practical after issuance of such warrants, the Auditor shall provide a list of all warrants issued, and shall certify to the Commission that such disbursements satisfy just, due and unpaid obligations of the District, in a manner specified by the State Auditor.



- F If the Commission disapproves a paid claim on the District, the Auditor will request the Treasurer to recognize the claim as a receivable. The Treasurer and Auditor will pursue collection.
- G The Auditor shall develop an annual audit plan, and conduct audits contained within the plan or other audits as may be requested by the Commission. The Auditor shall report to the Commission on the progress and results of such audits at least semi-annually. The Auditor, in the performance of his or her duties, shall have unlimited access to all activities, records, property and personnel of the District.

## 28 **Delegation to the General Manager / CEO**

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

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

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

- B The General Manager / CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and develop all activities to achieve the goals set forth by the Commission for the District.
- C The Commission shall develop policies that define the delegation to the General Manager / CEO with regard to the General Manager / CEO's authority.
- D The General Manager / CEO must bring to the Commission's attention circumstances that affect the goals established by the Commission and may request the Commission to take appropriate actions.

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

## 29 **Budget & Procurement Authority**

- A The Commission, by resolution, shall approve the District's budget prior to the start of each fiscal year.
- B By resolution, the Commission shall set forth the authority of the General Manager / CEO to manage and expend District funds in accordance with financial policies and budgetary limits. Procurement of goods and services shall take place in accordance with applicable legal requirements in a fair, competitive and inclusive manner to maximize the benefit to the District's ratepayers/customers.
- C The General Manager / CEO shall establish procurement controls that provide reasonable assurance that the procurement of goods and services are made for a valid business purpose and within authorized budget levels.
- D It is District policy that all procurement decisions be made free from actual or perceived conflicts of interest consistent with the District's Code of Ethics.
- E It is District policy that due diligence and prudent judgment be exercised in the making of procurement decisions, including conducting a risk assessment. If the General Manager / CEO reasonably determines that a procurement activity presents, regardless of the size of the financial commitment, either (i) a unique and significant operational risk to the District; or (ii) a significant impact to customers, the General Manager / CEO shall inform the Commission.

## 30 **Financial Policies**

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

## 31 **Amendment of These Rules**

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

# For Commission Review – 07/09/2024

RESOLUTION NO. XXXX

A RESOLUTION AMENDING GRANT PUD'S RATE SCHEDULE 100

Recitals

1. Grant PUD is authorized by RCW 54.16330 to operate and maintain telecommunications for Grant PUD's own internal telecommunication needs and for the provision of wholesale telecommunications services with Grant PUD; and
2. Grant PUD's Manager and staff are of the opinion that the revised Rate Schedule 100 attached as Exhibit A is in the best interest of Grant PUD.

NOW THEREFORE BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington that the changes to the basic and premium access fees and adding off-network services for wireless re-transmission as set forth in the attached Exhibit A are hereby approved and adopted, and the revised Rate Schedule 100 shall be effective August 1, 2024.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 23<sup>rd</sup> day of July, 2024.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

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

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

**Public Utility District No. 2 of Grant County, Washington**  
**Product and Service Schedule 100**  
**Wholesale High Speed Network**  
**Resolution XXXX**  
**Effective 08/01/2024**

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

- i. 1-6 Months No Minimum
- ii. 7-18 Months \$1,000.00 Minimum
- iii. 18+ Months \$1,500.00 Minimum

- K. Upstream Internet Wholesale pricing is based on cost per megabit Grant PUD pays at the time of billing (reviewed and subject to change annually). IP address space can be provided at cost per IP. Ethernet ports required to deliver the service are included in the monthly price.
- L. Wireless Subscriber Standard Ethernet Service requires each Service Provider to agree to the terms of the Wireless Service Provider Agreement.
- M. E-LAN service provides carrier-class support of traffic with additional tagging up to 9,000 byte maximum transmission unit (MTU). E-LAN service requires a contract for the initial service turn up for end-use sites.

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

<b>Set-up of new Service Provider</b>	\$2,000 (non-recurring cost) \$2,500 Security Deposit
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**Standard Ethernet Services:**

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

**Customer VLAN Off-Network Services:** (Includes premium support)

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

**Upstream Internet Services – No Commit:**

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

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

Contracts are required for these services. Each service request will require pre-payment of 100% of Grant PUD's estimated cost for equipment, interfaces and/or fiber plant construction to accomplish the service connections.

**Wavelength Services:**

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

**Special VLAN Ethernet Services:** *(Includes premium support, uses the customer NNI). Management VLAN is allowed on multiple locations.*

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

**E-LAN Carrier Ethernet Services:** *(Includes Premium support; only subscriber, end-use ports to terminate at NNI)*

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

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



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

**Wholesale High Speed Network**

**Resolution XXXX9043**

**Effective 083/01/2024**

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

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

- K. Upstream Internet Wholesale pricing is based on cost per megabit Grant PUD pays at the time of billing (reviewed and subject to change annually). IP address space can be provided at cost per IP. Ethernet ports required to deliver the service are included in the monthly price.
- L. Wireless Subscriber Standard Ethernet Service requires each Service Provider to agree to the terms of the Wireless Service Provider Agreement.
- M. E-LAN service provides carrier-class support of traffic with additional tagging up to 9,000 byte maximum transmission unit (MTU). E-LAN service requires a contract for the initial service turn up for end-use sites.

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

<b>Set-up of new Service Provider</b>	\$2,000 (non-recurring cost) \$2,500 Security Deposit
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**Standard Ethernet Services:**

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

**Customer VLAN Off-Network Services:** *(Includes premium support)*

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

**Special VLAN Ethernet Services:** *(Includes premium support, uses the customer NNI). Management VLAN is allowed on multiple locations.*

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

**Upstream Internet Services – No Commit:**

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

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

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

**Wavelength Services:**

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

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

	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>
DS-1 per span	\$60	\$50	\$45
STS-1 per span	\$230	\$192	\$179
STS-3 per span	\$360	\$300	\$250
STS-12 per span	\$1,200	\$1,000	\$820
STS-24 per span	\$1,450	\$1,200	\$1,000
<i>The following add-ons may be purchased for each advanced transport circuit:</i>			
Interface protection	50% adder to the monthly charge for one span		
Circuit protection	Monthly charge as listed above per additional span(s) required to accomplish requested protection		

**E-LAN Carrier Ethernet Services:** *(Includes Premium support; only subscriber, end-use ports to terminate at NNI)*

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

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

# For Commission Review – 07/09/2024

RESOLUTION NO. XXXX

A RESOLUTION AMENDING GRANT PUD'S RATE SCHEDULE 120

Recitals

1. Grant PUD is authorized by RCW 54.16330 to operate and maintain telecommunications for Grant PUD's own internal telecommunication needs and for the provision of wholesale telecommunications services with Grant PUD; and
2. Grant PUD's Manager and staff are of the opinion that the revised Rate Schedule 120 attached as Exhibit A is in the best interest of Grant PUD.

NOW THEREFORE BE IT RESOLVED by the Commission of Public Utility District No. 2 of Grant County, Washington that the changes to the basic and premium access fees and adding off-network services for wireless re-transmission as set forth in the attached Exhibit A are hereby approved and adopted, and the revised Rate Schedule 120 shall be effective August 1, 2024.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 23<sup>rd</sup> day of July, 2024.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

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

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

**RATE SCHEDULE 120**  
Wholesale Fiber Product and Service Schedule  
Resolution XXXX – Exhibit A  
Effective August 1, 2024

**AVAILABLE:** To qualified customers who have entered into an approved Telecommunications Facilities License Agreement with Grant PUD. This Rate Schedule 120 shall only be applicable to, and subject to review and availability of, Grant PUD's fiber facilities.

**EFFECTIVE:** The following rates shall be effective on the date shown above and shall supersede all prior dark fiber rates.

**DARK FIBER COMPONENTS:** Backbone fiber strands are between Grant PUD's facilities.

Service:	Non-Recurring Charge	Monthly Recurring Charge	Monthly Recurring Charge	Monthly Recurring Charge
		5 Year Term	10 Year Term	20 Year Term
Dark Fiber Components				
Final Mile Connections Non-Recurring Charge	\$2,500			
Backbone License Rate – Per Route Mile		\$55	\$50	\$45
Minimum Monthly Recurring Charge for Backbone Dark Fiber Component		\$2,000		

**ORDER AND SEGMENT DEFINITION:** Each order is defined as a continuous fiber path (segment) licensed under a single agreement. A segment shall originate and terminate at demarcation points as set forth in the applicable Telecommunications Facilities License Agreement.

**ROUTE MILES:** Determined by Grant PUD using exact light distance tested by an OTDR between locations rounded up to nearest full mile.

**FIBER CIRCUIT:** A collection of fiber strands which participate in establishing a link between two active devices in a system.

**SERVICE:** Service under this Rate Schedule 120 is subject to the terms and conditions in Grant PUD's Telecommunications Customer Service Policies, as may be amended from time to time.

**SERVICE LEVEL AGREEMENT:** Grant PUD's obligations will be to respond and commence restoration work within 2 hours of outage notification. Restore use of the fiber path within a reasonable time, normally eight hours from outage notification.

**TAX ADJUSTMENTS:** The amount of any tax levied by any governmental entity, in accordance with the Laws of the State of Washington, will be added to the above charges.



**MEMORANDUM**

**June 25, 2024**

**TO:** Rich Wallen, General Manager/Chief Executive Officer

**VIA:** Jeff Grizzel, Chief Operating Officer

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

**SUBJECT:** Update Rate Schedule 120

**Purpose:** To obtain Commission approval to update Grant PUD’s Rate Schedule 120 from its last version dated September 8, 2009 (Resolution 8407).

**Discussion:** The Wholesale Fiber Product and Service Schedule 120 are the rates applicable to retail and transport service providers utilizing Grant PUD’s fiber network. Modifications to product and service offerings outlined in this rate schedule will depend on the availability of Grant PUD’s fiber facilities. Rate adjustments will be subject to changes in revenue and market conditions.

The changes listed below were evaluated by CCG Consulting (Doug Dawson), which has assisted Grant PUD for over 15 years with wholesale fiber product and service modifications. Grant PUD has historically had the highest dark fiber rates. These changes allow Grant PUD to sell dark fiber but always maintain the ability to deny requests to allow Grant PUD to have enough for our own use. We also have discussed these changes with the service providers that currently have dark fiber agreements with Grant PUD.

Rate Schedule Section	Description
Wholesale Fiber Schedule 120	Change District to Grant PUD
Available	The current practice was to review the availability of the fiber facilities, we believe this should be in the Rate Schedule for clarity.
Billing Rates/Charges	The renewal language was removed from the Rate Schedule.
Dark Fiber Components	This language was added to define backbone fiber facilities.
Final Mile Connections	This is the work that is required to assure connectivity and mileage.
Non-Recurring Charge	Removed the charge for access to our dark fiber system.
License Rate	Clarity for the cost of each strand instead of fiber pairs.
Utilization	Removed this component for access to our dark fiber system.

A business that utilizes Grant PUD’s fiber infrastructure is required to be a service provider and sign Grant PUD’s Telecommunications Facilities License Agreement. To ensure consistency with the proposed rate schedule changes, our standard agreement will be revised accordingly. We will require all service providers that currently have such agreements with Grant PUD to execute the updated contract.

To ensure consistency between Rate Schedule 120 and 100, we have updated the following changes in Rate Schedule 100.

Rate Schedule Section	Description
Advanced Transport Services	For Advanced Transport Services will have Master Services Agreement with each service requested with a service order.

SONET Services	These services have been discontinued.
Special VLAN Ethernet Services	The Special VLAN Ethernet Services will be included in the Advanced Transport Services Section.

We are proposing an effective date of August 1, 2024, for the revised rate schedule to provide time for us to prepare our system and coordinate the execution of updated agreements with service providers.

**Recommendation:** Commission approval to update Grant PUD's Rate Schedule 120, effective August 1, 2024, as set forth in Exhibit A, superseding Resolution 8407.

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



Resolution 8407 9/8/09

### RATE SCHEDULE 120

Wholesale Fiber Product and Service Schedule

Resolution XXXX – Exhibit A

Effective August 1, 2024

**AVAILABLE:** To qualified customers who have entered into an approved Telecommunications Facilities License Agreement with the District Grant PUD. This Rate Schedule 120 shall only be applicable to, and subject to review and availability of, existing District fiber Grant PUD's fiber facilities. This Rate Schedule 120 shall not be construed to create any obligation on the part of the District to construct any new fiber facilities.

**EFFECTIVE:** The following rates shall be effective on the date shown above from the date of adoption and shall supersede all prior dark fiber rates.

**BILLING RATES/CHARGES:** Non-recurring charges will apply to new agreements, not renewals. Term of contract shall not exceed 60 months and may be renewed one time for up to the length of the initial term. Rates for the renewal period will be from the District's Rate Schedule 120 in effect 60 days prior to the beginning of the renewal period. **DARK FIBER COMPONENTS:** Backbone fiber strands are between Grant PUD's facilities.

Service:	Non-Recurring Charge	Monthly Recurring Charge	Monthly Recurring Charge	Monthly Recurring Charge
		5 Year Term	10 Year Term	20 Year Term
Dark Fiber Components				
Dark Fiber Components - Minimum Order - 2 Strands; Maximum Order - 4 Strands				
Final Mile Connections Non-Recurring Charge - Per Strand Mile	\$750			
Minimum Non-Recurring Charge Per Order	\$35,000			
Backbone License Rate - Strands 1 and 2 - Per Strand Route Mile		\$55	\$50	\$45
License Rate - Strands 3 and 4 - Per Strand Mile		\$20		
Minimum Monthly Recurring Charge for Backbone Dark Fiber Component		\$2,000		
Utilization Component (per Fiber Circuit)				
Up to 40 Gigabits (Billed in increments of 10 Gigabits)		\$750/10 Gigabits		
Additional Gigabits (Billed in increments of 10 Gigabits)		\$500/10 Gigabits		
Minimum Monthly Recurring Charge for Utilization Component		\$750		
Maximum Monthly Recurring Charge for Utilization Component		\$6,000		

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**ORDER AND SEGMENT DEFINITION:** Each order is defined as a continuous fiber path (segment) licensed under a single agreement. A segment shall originate and terminate at demarcation points as set forth in the applicable Telecommunications Facilities License Agreement.

**ROUTE MILES:** Determined by Grant PUD using exact light distance tested by an OTDR between locations rounded up to nearest full mile.



[Resolution 8407 9/8/09](#)

**FIBER ~~iber~~ CIRCUIT ~~ircuit~~:** A collection of fiber strands which participate in establishing a link between two active devices in a system.

**~~Utilization Charge:~~** Each fiber circuit is subject to utilization fees based on provisioned capacity. Fees shall be charged in increments of 10 Gigabits as determined by periodic reporting and audits as set forth in the applicable Telecommunications Facilities License Agreement.

**~~SERVICE~~ ~~ervice~~:** Service under this [Rate Schedule 120](#) is subject to the terms and conditions in [Grant PUD](#) ~~the District's~~ Telecommunications Customer Service Policies, as ~~the same~~ may be amended from time to time.

**~~SERVICE LEVEL AGREEMENT~~ ~~ervice Level Agreement~~:** [Grant PUD's obligations will be to respond and commence restoration work within 2 hours of outage notification. Restore use of the fiber path within a reasonable time, normally eight hours from outage notification.](#)

**~~TAX ADJUSTMENT~~ ~~ax Adjustments~~:** The amount of any tax levied by any governmental entity, in accordance with the Laws of the State of Washington, will be added to the above charges.

**FOR REVIEW AND ACTION**

Motion authorizing the creation of a new restricted fund and the transfer of the Cap and Investment Auction of Climate Commitment Act (CCA) Credits received to date out of the R&C fund and recorded in the newly created fund. Furthermore, this motion authorizes any future proceeds received from the Climate Commitment Act Auctions to also be placed in the new fund going forward.

XXXX

## MEMORANDUM

June 18, 2024

**TO:** Bonnie Overfield, Chief Financial Officer/Treasurer

**VIA:** John Mertlich, Chief Commercial Officer  
Jennifer Sager, Senior Manager of Accounting/Controller  
Angelina Johnson, Senior Manager of Treasury & FP/Deputy Treasurer

**FROM:** Amy Thompson, Senior Financial Analyst *Amy Thompson*

**SUBJECT:** Proceeds from Cap and Investment Auction of Climate Commitment Act (CCA) Credits

**Purpose:** Request approval from the Commission to transfer proceeds received from the Cap and Investment Auction of CCA Credits out of the Electric System's Reserve and Contingency (R&C) Fund and into a newly restricted fund managed by Accounting, Energy Supply Management (ESM), and Treasury (collectively, Finance) for approved spend of the funds per the approval procedure and the CCA matrix.

**Discussion:** The R&C Fund was established by Resolution 4112 in 1982. The resolution directs the Treasurer/Controller to establish and maintain the R&C Fund, payments from the R&C Fund to be authorized by the Commission, and for parameters surrounding deposits to be established annually in the District's budget. The R&C Fund is a Commission-restricted fund and cannot be used without prior Commission approval. Due to the restricted nature of the R&C Fund, Finance is proposing the creation of a new restricted fund, 1004 Electric System CCA Credits. The new fund will have accounting restrictions (not Commission restricted) requiring a disbursement procedure to define how revenues and expenses are tracked, approved, and reconciled.

**Justification:** The District's CCA matrix has defined acceptable uses of the CCA credit auction proceeds. Finance is also working on a procedure to define the process for qualifying an expense to be covered by CCA proceeds.

**Financial Justification:** To date, the District has received \$60.89M in CCA auction proceeds. Per the Commission motion passed January 26, 2024, Finance has transferred the proceeds to the R&C Fund until guidance for appropriate usage could be determined. ESM has developed a matrix of acceptable uses and will be used to determine if proposed uses of the funds qualify and meet the requirements outlined by the Federal Government.

**Recommendation:** To seek authorization from the Commission to transfer CCA auction proceeds from the R&C fund to a new restricted fund. Any future proceeds received from CCA auctions would be deposited into the Electric System CCA Credits Fund.

# **For Commission Review – 07/09/2024**

Motion authorizing Interlocal Agreement 130-12389 with Washington State Department of Commerce, providing Grant PUD with grant funding in the amount of \$1,100,000.00 to participate in the Home Electrification and Appliance Rebates (HEAR) Program (Commerce Contract no. 24-92701-018).

XXXX

**MEMORANDUM**

July 9, 2024

**TO:** Rich Wallen, General Manager/Chief Executive Officer

**VIA:** Ty Ehrman, Chief Customer Officer *FTE*  
Cary West, Senior Manager Customer Solutions *CSW*

**FROM:** Christopher Buchmann, Customer Solutions Program Supervisor *CGOB*

**SUBJECT:** Interlocal Agreement 130-12389 with the WA State Department of Commerce

**Purpose:** To request Commission approval of Interlocal Agreement 130-12389 with the Washington State Department of Commerce, providing Grant PUD with grant funding in the amount of \$1,100,000 to participate in the Home Electrification and Appliance Rebates (HEAR) Program (Commerce Contract No. 24-92701-018).

**Discussion:** The Washington State Department of Commerce (“Commerce”) is offering grants to eligible entities to provide rebates and incentives to low-income households and small businesses to purchase and install high-efficiency electric equipment and appliances. The HEAR Program is supported with funding from Washington’s Climate Commitment Act. This is a state funding opportunity that is separate from the Federal home energy rebate program funded by the Inflation Reduction Act.

We applied in April 2024 and have received an award offer from Commerce in the amount of \$1,100,000 if we choose to proceed. We understand additional funding may become available later if other awards are not accepted or funding from other areas of the program remains unallocated.

The HEAR funds allocated to Grant PUD will provide energy efficient appliances or ductless heat pumps in the homes of income qualified, underserved, and vulnerable customers within Grant County, Washington, with no out-of-pocket expense to them. Our goal is to reach 8.5% of the approximately 4,781 low-income households in Grant County with this program (411 households). In addition, our goal is to serve 30 small businesses under the program.

The outcome of this is the reduction in energy bills for 8.5% of Grant County’s underserved and vulnerable community; the reduction in energy consumption due to the new energy efficient appliances; the potential for the energy savings to count towards Grant PUD’s I-937 biennial conservation targets to maintain compliance; the potential to leverage the HEAR program to become compliant with CETA; and improve our underserved and vulnerable customers’ quality of life, build a more sustainable future, and increase the capacity on Grant PUD’s electrical system. Please see the attached contract for more information.

**Recommendation:** Commission approval of Interlocal Agreement 130-12389 with the Washington State Department of Commerce, providing Grant PUD with grant funding in the amount of \$1,100,000 to participate in the Home Electrification and Appliance Rebates (HEAR) Program (Commerce Contract No. 24-92701-018).

**Legal Review:** See attached email.





**Interagency Agreement with**

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

**through**

**State Home Electrification and Appliance Rebates Program**

**Contract Number:  
24-92701-018**

**For**

**Grant PUD - Electrification and Appliance Rebates Program**

**Dated:** Wednesday, May 1, 2024

## Table of Contents

<b>TABLE OF CONTENTS.....</b>	<b>2</b>
<b>FACE SHEET.....</b>	<b>3</b>
<b>SPECIAL TERMS AND CONDITIONS.....</b>	<b>4</b>
1. AUTHORITY.....	4
2. ACKNOWLEDGEMENT OF CLIMATE COMMITMENT ACT FUNDING.....	4
3. CONTRACT MANAGEMENT .....	4
4. COMPENSATION.....	4
5. BILLING PROCEDURES AND PAYMENT.....	4
6. SUBCONTRACTOR DATA COLLECTION .....	5
7. INSURANCE.....	5
8. FRAUD AND OTHER LOSS REPORTING .....	5
9. OWNERSHIP (THIS SECTION SUPERCEDES GENERAL TERM AND CONDITION #20).....	5
10. ORDER OF PRECEDENCE .....	5
<b>GENERAL TERMS AND CONDITIONS.....</b>	<b>7</b>
1. DEFINITIONS.....	7
2. ALL WRITINGS CONTAINED HEREIN.....	7
3. AMENDMENTS .....	7
4. ASSIGNMENT.....	7
5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION .....	7
6. COPYRIGHT.....	8
7. DISPUTES .....	8
8. GOVERNING LAW AND VENUE .....	9
9. INDEMNIFICATION .....	9
10. LICENSING, ACCREDITATION AND REGISTRATION.....	9
11. RECAPTURE.....	9
12. RECORDS MAINTENANCE .....	9
13. SAVINGS .....	9
14. SEVERABILITY.....	9
15. SUBCONTRACTING .....	10
16. SURVIVAL.....	10
17. TERMINATION FOR CAUSE .....	10
18. TERMINATION FOR CONVENIENCE.....	10
19. TERMINATION PROCEDURES.....	10
20. TREATMENT OF ASSETS (REPLACED BY SPECIAL TERMS AND CONDITIONS #9).....	11
21. WAIVER .....	11
<b>ATTACHMENT A: SCOPE OF WORK .....</b>	<b>12</b>
<b>ATTACHMENT B: BUDGET .....</b>	<b>15</b>
<b>ATTACHMENT C: PROGRAM WORK PLAN .....</b>	<b>16</b>

## Face Sheet

Contract Number: 24-92701-018

### Energy Division Clean Buildings Unit Home Electrification and Appliance Rebates Program

<b>1. Contractor</b> Public Utility District No. 2 of Grant County, Washington PO Box 878 30 C Street SW Ephrata, WA 98823		<b>2. Contractor Doing Business As (as applicable)</b>  	
<b>3. Contractor Representative</b> Christopher Buchmann CS Program Supervisor (509) 793-1573 cbuchmann@gcpud.org		<b>4. COMMERCE Representative</b> Aaron Dumas Program Manager (564) 999-1414 Aaron.dumas@commerce.wa.gov	
PO Box 878 30 C Street SW Ephrata, WA 98823		PO Box 42525 1011 Plum St. SE Olympia, WA 98504	
<b>5. Contract Amount</b> \$1,100,000	<b>6. Funding Source</b> Federal: <input type="checkbox"/> State: <input checked="" type="checkbox"/> Other: <input type="checkbox"/> N/A: <input type="checkbox"/>		<b>7. Start Date</b> 5/1/2024
<b>8. End Date</b> 6/30/2025			
<b>9. Federal Funds (as applicable)</b> N/A		<b>Federal Agency:</b> N/A	
<b>ALN:</b> N/A			
<b>10. Tax ID #</b> 91-6001033	<b>11. SWV #</b> SWV0032384	<b>12. UBI #</b> <Insert number>	<b>13. UEI #</b> <Insert number>
<b>14. Contract Purpose</b> To administer a program that provides rebates and incentives to low- and moderate-income households and small businesses to purchase and install high-efficiency electric equipment and appliances. For the Contractor's internal tracking purposes, the Contractor's contract number is 130-12389.			
COMMERCE, defined as the Department of Commerce, and the Contractor, as defined above, acknowledge and accept the terms of this Contract and Attachments and have executed this Contract on the date below and warrant they are authorized to bind their respective agencies. The rights and obligations of both parties to this Contract are governed by this Contract and the following documents incorporated by reference: Contractor Terms and Conditions including Attachment "A" – Scope of Work, Attachment "B" – Budget, Attachment "C" – Program Work Plan			
<b>FOR CONTRACTOR</b>  <b style="color: red;">NOT AUTHORIZED FOR SIGNATURE</b>  _____ <insert name>, <insert title>  _____ Date		<b>FOR COMMERCE</b>  _____ Michael Furze, Assistant Director Energy Division  _____ Date  <b>APPROVED AS TO FORM ONLY          BY ASSISTANT ATTORNEY GENERAL          APPROVAL ON FILE</b>	

## **Special Terms and Conditions**

### **1. AUTHORITY**

COMMERCE and Contractor enter into this Contract pursuant to the authority granted by Chapter 39.34 RCW.

### **2. ACKNOWLEDGEMENT OF CLIMATE COMMITMENT ACT FUNDING**

If this Agreement is funded in whole or in part by the Climate Commitment Act, Grantee agrees that any website, announcement, press release, and/or publication (written, visual, or sound) used for media-related activities, publicity, and public outreach issued by or on behalf of Grantee which reference programs or projects funded in whole or in part with Washington's Climate Commitment Act (CCA) funds under this Grant, shall contain the following statement:

“The Home Electrification and Appliance Rebates Program is supported with funding from Washington's Climate Commitment Act. The CCA supports Washington's climate action efforts by putting cap-and-invest dollars to work reducing climate pollution, creating jobs, and improving public health. Information about the CCA is available at [www.climate.wa.gov](http://www.climate.wa.gov).”

The Grantee agrees to ensure coordinated Climate Commitment Act branding on work completed by or on behalf of the Grantee. The CCA logo must be used in the following circumstances, consistent with the branding guidelines posted at [CCA brand toolkit](#), including:

- A. Any project related website or webpage that includes logos from other funding partners;
- B. Any publication materials that include logos from other funding partners;
- C. Any on-site signage including pre-during Construction signage and permanent signage at completed project sites; and
- D. Any equipment purchased with CAA funding through a generally visible decal.

### **3. CONTRACT MANAGEMENT**

The Representative for each of the parties shall be responsible for and shall be the contact person for all communications and billings regarding the performance of this Contract.

The Representative for COMMERCE and their contact information are identified on the Face Sheet of this Contract.

The Representative for the Contractor and their contact information are identified on the Face Sheet of this Contract.

### **4. COMPENSATION**

COMMERCE shall pay an amount not to exceed \$1,100,000, for the performance of all things necessary for or incidental to the performance of work under this Contract as set forth in the Scope of Work.

### **5. BILLING PROCEDURES AND PAYMENT**

COMMERCE will pay Contractor upon acceptance of services provided and receipt of properly completed invoices, which shall be submitted to the Representative for COMMERCE not more often than monthly nor less than quarterly.

The invoices shall describe and document, to COMMERCE's satisfaction, a description of the work performed, the progress of the project, and fees. The invoice shall include the Contract Number 24-92701-018. If expenses are invoiced, provide a detailed breakdown of each type. A receipt must accompany any single expenses in the amount of \$50.00 or more in order to receive reimbursement. Payment shall be considered timely if made by COMMERCE within thirty (30) calendar days after receipt of properly completed invoices. Payment shall be sent to the address designated by the

Contractor.

COMMERCE may, in its sole discretion, terminate the Contract or withhold payments claimed by the Contractor for services rendered if the Contractor fails to satisfactorily comply with any term or condition of this Contract.

No payments in advance or in anticipation of services or supplies to be provided under this Agreement shall be made by COMMERCE.

#### Invoices and End of Fiscal Year

Invoices are due on the 20th of the month following the provision of services.

Final invoices for a state fiscal year may be due sooner than the 20th and Commerce will provide notification of the end of fiscal year due date.

The Contractor must invoice for all expenses from the beginning of the contract through June 30, regardless of the contract start and end date.

#### Duplication of Billed Costs

The Contractor shall not bill COMMERCE for services performed under this Agreement, and COMMERCE shall not pay the Contractor, if the Contractor is entitled to payment or has been or will be paid by any other source, including grants, for that service.

#### Disallowed Costs

The Contractor is responsible for any audit exceptions or disallowed costs incurred by its own organization or that of its subcontractors.

COMMERCE may, in its sole discretion, withhold ten percent (10%) from each payment until acceptance by COMMERCE of the final report (or completion of the project, etc.).

### **6. SUBCONTRACTOR DATA COLLECTION**

Contractor will submit reports, in a form and format to be provided by Commerce and at intervals as agreed by the parties, regarding work under this Contract performed by subcontractors and the portion of Contract funds expended for work performed by subcontractors, including but not necessarily limited to minority-owned, woman-owned, and veteran-owned business subcontractors. "Subcontractors" shall mean subcontractors of any tier.

### **7. INSURANCE**

Each party certifies that it is adequately insured to the degree necessary to cover all activities in Attachment A, Scope of Work, and shall be responsible for losses for which it is found liable.

### **8. FRAUD AND OTHER LOSS REPORTING**

Contractor shall report in writing all known or suspected fraud or other loss of any funds or other property furnished under this Contract immediately or as soon as practicable to the Commerce Representative identified on the Face Sheet.

### **9. OWNERSHIP (THIS SECTION SUPERCEDES GENERAL TERM AND CONDITION #20)**

The parties agree that the Grantee owns the property and assets purchased under this Contract.

### **10. ORDER OF PRECEDENCE**

In the event of an inconsistency in this Contract, the inconsistency shall be resolved by giving precedence in the following order:

- Applicable federal and state of Washington statutes and regulations
- Special Terms and Conditions
- General Terms and Conditions
- Attachment A – Scope of Work
- Attachment B – Budget
- Attachment C – Program Work Plan

## **General Terms and Conditions**

### **1. DEFINITIONS**

As used throughout this Contract, the following terms shall have the meaning set forth below:

- A. "Authorized Representative" shall mean the Director and/or the designee authorized in writing to act on the Director's behalf.
- B. "COMMERCE" shall mean the Washington Department of Commerce.
- C. "Contract" or "Agreement" or "Grant" means the entire written agreement between COMMERCE and the Contractor, including any Attachments, documents, or materials incorporated by reference. E-mail or Facsimile transmission of a signed copy of this contract shall be the same as delivery of an original.
- D. "Contractor" or "Grantee" shall mean the entity identified on the face sheet performing service(s) under this Contract, and shall include all employees and agents of the Contractor.
- E. "Personal Information" shall mean information identifiable to any person, including, but not limited to, information that relates to a person's name, health, finances, education, business, use or receipt of governmental services or other activities, addresses, telephone numbers, social security numbers, driver license numbers, other identifying numbers, and any financial identifiers, and "Protected Health Information" under the federal Health Insurance Portability and Accountability Act of 1996 (HIPAA).
- F. "State" shall mean the state of Washington.
- G. "Subcontractor" shall mean one not in the employment of the Contractor, who is performing all or part of those services under this Contract under a separate contract with the Contractor. The terms "subcontractor" and "subcontractors" mean subcontractor(s) in any tier.

### **2. ALL WRITINGS CONTAINED HEREIN**

This Contract contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Contract shall be deemed to exist or to bind any of the parties hereto.

### **3. AMENDMENTS**

This Contract may be amended by mutual agreement of the parties. Such amendments shall not be binding unless they are in writing and signed by personnel authorized to bind each of the parties.

### **4. ASSIGNMENT**

Neither this Contract, work thereunder, nor any claim arising under this Contract, shall be transferred or assigned by the Contractor without prior written consent of COMMERCE.

### **5. CONFIDENTIALITY AND SAFEGUARDING OF INFORMATION**

- A. "Confidential Information" as used in this section includes:
  - i. All material provided to the Contractor by COMMERCE that is designated as "confidential" by COMMERCE;
  - ii. All material produced by the Contractor that is designated as "confidential" by COMMERCE; and

- iii. All Personal Information in the possession of the Contractor that may not be disclosed under state or federal law.
- B. The Contractor shall comply with all state and federal laws related to the use, sharing, transfer, sale, or disclosure of Confidential Information. The Contractor shall use Confidential Information solely for the purposes of this Contract and shall not use, share, transfer, sell or disclose any Confidential Information to any third party except with the prior written consent of COMMERCE or as may be required by law. The Contractor shall take all necessary steps to assure that Confidential Information is safeguarded to prevent unauthorized use, sharing, transfer, sale or disclosure of Confidential Information or violation of any state or federal laws related thereto. Upon request, the Contractor shall provide COMMERCE with its policies and procedures on confidentiality. COMMERCE may require changes to such policies and procedures as they apply to this Contract whenever COMMERCE reasonably determines that changes are necessary to prevent unauthorized disclosures. The Contractor shall make the changes within the time period specified by COMMERCE. Upon request, the Contractor shall immediately return to COMMERCE any Confidential Information that COMMERCE reasonably determines has not been adequately protected by the Contractor against unauthorized disclosure.
  - C. Unauthorized Use or Disclosure. The Contractor shall notify COMMERCE within five (5) working days of any unauthorized use or disclosure of any confidential information, and shall take necessary steps to mitigate the harmful effects of such use or disclosure.

## **6. COPYRIGHT**

Unless otherwise provided, all Materials produced under this Contract shall be considered "works for hire" as defined by the U.S. Copyright Act and shall be owned by COMMERCE. COMMERCE shall be considered the author of such Materials. In the event the Materials are not considered "works for hire" under the U.S. Copyright laws, the Contractor hereby irrevocably assigns all right, title, and interest in all Materials, including all intellectual property rights, moral rights, and rights of publicity to COMMERCE effective from the moment of creation of such Materials.

"Materials" means all items in any format and includes, but is not limited to, data, reports, documents, pamphlets, advertisements, books, magazines, surveys, studies, computer programs, films, tapes, and/or sound reproductions. "Ownership" includes the right to copyright, patent, register and the ability to transfer these rights.

For Materials that are delivered under the Contract, but that incorporate pre-existing materials not produced under the Contract, the Contractor hereby grants to COMMERCE a nonexclusive, royalty-free, irrevocable license (with rights to sublicense to others) in such Materials to translate, reproduce, distribute, prepare derivative works, publicly perform, and publicly display. The Contractor warrants and represents that the Contractor has all rights and permissions, including intellectual property rights, moral rights and rights of publicity, necessary to grant such a license to COMMERCE.

The Contractor shall exert all reasonable effort to advise COMMERCE, at the time of delivery of Materials furnished under this Contract, of all known or potential invasions of privacy contained therein and of any portion of such document which was not produced in the performance of this Contract. The Contractor shall provide COMMERCE with prompt written notice of each notice or claim of infringement received by the Contractor with respect to any Materials delivered under this Contract. COMMERCE shall have the right to modify or remove any restrictive markings placed upon the Materials by the Contractor.

## **7. DISPUTES**

In the event that a dispute arises under this Agreement, it shall be determined by a Dispute Board in the following manner: Each party to this Agreement shall appoint one member to the Dispute Board. The members so appointed shall jointly appoint an additional member to the Dispute Board. The Dispute Board shall review the facts, Agreement terms and applicable statutes and rules and make a determination of the dispute. The Dispute Board shall thereafter decide the dispute with the majority



prevailing. The determination of the Dispute Board shall be final and binding on the parties hereto. As an alternative to this process, either of the parties may request intervention by the Governor, as provided by RCW 43.17.330, in which event the Governor's process will control.

**8. GOVERNING LAW AND VENUE**

This Contract shall be construed and interpreted in accordance with the laws of the state of Washington, and the venue of any action brought hereunder shall be in the Superior Court for Thurston County.

**9. INDEMNIFICATION**

Each party shall be solely responsible for the acts of its employees, officers, and agents.

**10. LICENSING, ACCREDITATION AND REGISTRATION**

The Contractor shall comply with all applicable local, state, and federal licensing, accreditation and registration requirements or standards necessary for the performance of this Contract.

**11. RECAPTURE**

In the event that the Contractor fails to perform this Contract in accordance with state laws, federal laws, and/or the provisions of this Contract, COMMERCE reserves the right to recapture funds in an amount to compensate COMMERCE for the noncompliance in addition to any other remedies available at law or in equity.

Repayment by the Contractor of funds under this recapture provision shall occur within the time period specified by COMMERCE. In the alternative, COMMERCE may recapture such funds from payments due under this Contract.

**12. RECORDS MAINTENANCE**

The Contractor shall maintain books, records, documents, data and other evidence relating to this contract and performance of the services described herein, including but not limited to accounting procedures and practices that sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this contract.

The Contractor shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the contract, shall be subject at all reasonable times to inspection, review or audit by COMMERCE, personnel duly authorized by COMMERCE, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

**13. SAVINGS**

In the event funding from state, federal, or other sources is withdrawn, reduced, or limited in any way after the effective date of this Contract and prior to normal completion, COMMERCE may suspend or terminate the Contract under the "Termination for Convenience" clause, without the ten calendar day notice requirement. In lieu of termination, the Contract may be amended to reflect the new funding limitations and conditions.

**14. SEVERABILITY**

The provisions of this contract are intended to be severable. If any term or provision is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of the contract.

## **15. SUBCONTRACTING**

The Contractor may only subcontract work contemplated under this Contract if it obtains the prior written approval of COMMERCE.

If COMMERCE approves subcontracting, the Contractor shall maintain written procedures related to subcontracting, as well as copies of all subcontracts and records related to subcontracts. For cause, COMMERCE in writing may: (a) require the Contractor to amend its subcontracting procedures as they relate to this Contract; (b) prohibit the Contractor from subcontracting with a particular person or entity; or (c) require the Contractor to rescind or amend a subcontract.

Every subcontract shall bind the Subcontractor to follow all applicable terms of this Contract. The Contractor is responsible to COMMERCE if the Subcontractor fails to comply with any applicable term or condition of this Contract. The Contractor shall appropriately monitor the activities of the Subcontractor to assure fiscal conditions of this Contract. In no event shall the existence of a subcontract operate to release or reduce the liability of the Contractor to COMMERCE for any breach in the performance of the Contractor's duties.

Every subcontract shall include a term that COMMERCE and the State of Washington are not liable for claims or damages arising from a Subcontractor's performance of the subcontract.

## **16. SURVIVAL**

The terms, conditions, and warranties contained in this Contract that by their sense and context are intended to survive the completion of the performance, cancellation or termination of this Contract shall so survive.

## **17. TERMINATION FOR CAUSE**

In the event COMMERCE determines the Contractor has failed to comply with the conditions of this contract in a timely manner, COMMERCE has the right to suspend or terminate this contract. Before suspending or terminating the contract, COMMERCE shall notify the Contractor in writing of the need to take corrective action. If corrective action is not taken within 30 calendar days, the contract may be terminated or suspended.

In the event of termination or suspension, the Contractor shall be liable for damages as authorized by law including, but not limited to, any cost difference between the original contract and the replacement or cover contract and all administrative costs directly related to the replacement contract, e.g., cost of the competitive bidding, mailing, advertising and staff time.

COMMERCE reserves the right to suspend all or part of the contract, withhold further payments, or prohibit the Contractor from incurring additional obligations of funds during investigation of the alleged compliance breach and pending corrective action by the Contractor or a decision by COMMERCE to terminate the contract. A termination shall be deemed a "Termination for Convenience" if it is determined that the Contractor: (1) was not in default; or (2) failure to perform was outside of his or her control, fault or negligence.

The rights and remedies of COMMERCE provided in this contract are not exclusive and are, in addition to any other rights and remedies, provided by law.

## **18. TERMINATION FOR CONVENIENCE**

Except as otherwise provided in this Contract, COMMERCE may, by ten (10) business days' written notice, beginning on the second day after the mailing, terminate this Contract, in whole or in part. If this Contract is so terminated, COMMERCE shall be liable only for payment required under the terms of this Contract for services rendered or goods delivered prior to the effective date of termination.

## **19. TERMINATION PROCEDURES**

Upon termination of this contract, COMMERCE, in addition to any other rights provided in this contract, may require the Contractor to deliver to COMMERCE any property specifically produced or acquired for the performance of such part of this contract as has been terminated. The provisions of the "Treatment of Assets" clause shall apply in such property transfer.

COMMERCE shall pay to the Contractor the agreed upon price, if separately stated, for completed work and services accepted by COMMERCE, and the amount agreed upon by the Contractor and COMMERCE for (i) completed work and services for which no separate price is stated, (ii) partially completed work and services, (iii) other property or services that are accepted by COMMERCE, and (iv) the protection and preservation of property, unless the termination is for default, in which case the Authorized Representative shall determine the extent of the liability of COMMERCE. Failure to agree with such determination shall be a dispute within the meaning of the "Disputes" clause of this contract. COMMERCE may withhold from any amounts due the Contractor such sum as the Authorized Representative determines to be necessary to protect COMMERCE against potential loss or liability.

The rights and remedies of COMMERCE provided in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

After receipt of a notice of termination, and except as otherwise directed by the Authorized Representative, the Contractor shall:

- A. Stop work under the contract on the date, and to the extent specified, in the notice;
- B. Place no further orders or subcontracts for materials, services, or facilities except as may be necessary for completion of such portion of the work under the contract that is not terminated;
- C. Assign to COMMERCE, in the manner, at the times, and to the extent directed by the Authorized Representative, all of the rights, title, and interest of the Contractor under the orders and subcontracts so terminated, in which case COMMERCE has the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- D. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of the Authorized Representative to the extent the Authorized Representative may require, which approval or ratification shall be final for all the purposes of this clause;
- E. Transfer title to COMMERCE and deliver in the manner, at the times, and to the extent directed by the Authorized Representative any property which, if the contract had been completed, would have been required to be furnished to COMMERCE;
- F. Complete performance of such part of the work as shall not have been terminated by the Authorized Representative; and
- G. Take such action as may be necessary, or as the Authorized Representative may direct, for the protection and preservation of the property related to this contract, which is in the possession of the Contractor and in which COMMERCE has or may acquire an interest.

**20. TREATMENT OF ASSETS (REPLACED BY SPECIAL TERMS AND CONDITIONS #9)**

**21. WAIVER**

Waiver of any default or breach shall not be deemed to be a waiver of any subsequent default or breach. Any waiver shall not be construed to be a modification of the terms of this Contract unless stated to be such in writing and signed by Authorized Representative of COMMERCE.

## Attachment A: Scope of Work

### Purpose

Engrossed Substitute Senate Bill 5200 Section 1008 Subsection 1 states:

Home Electrification and Appliance Rebates (HEAR) Program

For the department (Commerce) to administer grants to eligible third-party administrators for heat pump and other high-efficiency electric equipment rebates, with a focus on low/moderate income households and small businesses. State incentives and rebates for installation of high efficiency electric equipment, including electrical panel upgrades, provide a benefit to the public consistent with the state's energy strategy and climate mandates by reducing greenhouse gas emissions from the built environment.

- (a) \$75,000,000 of the climate commitment account-state appropriation is provided solely for the department to administer ESSB 5200.PL grants to low/moderate income households and small businesses.

Commerce shall implement a statewide high efficiency electric equipment program consistent with the following:

- (a) Aid the transition of residential and commercial buildings away from fossil fuels by providing education and outreach resources for the installation of high efficiency electric heat pumps and other high efficiency electric equipment;
- (b) Provide grants, coordination, and technical assistance to eligible third-party administrators to promote the adoption of high efficiency electric heat pump equipment for space and water heating; and
- (c) Develop strategies to ensure that the program serves low income households, vulnerable populations, and overburdened communities, including dedicating a portion of the program funding for this purpose.

### Tasks and Deliverables

#### Task 1: Funding Priorities

Third-party administrators that receive funding through HEAR, must meet the following funding priorities:

1. **Provide rebates and incentives that serve the following populations:**
  - a. Low-income single- and multifamily households with household income of 80% or less of Area Median Income.
  - b. Moderate-income single- and multifamily households with household income between 80% and 150% of Area Median Income.
  - c. Small businesses with fifty (50) employees or less, or otherwise meet the definition in RCW 39.26.010(22)
2. Rebates and incentives must be for the purchase or installation of high-efficiency electric equipment, including, but not limited to:

**Table 1: Eligible High-Efficiency Electric Equipment**

Upgrade Type	Eligible Equipment
Appliance	Electric Heat Pump Water Heater
	Electric Air-source or Ground source Heat Pump for Space Conditioning
	Commercial or Residential Induction Kitchen Equipment
	Electric Heat Pump Clothes Dryer

Electric Service necessary for the installation of high-efficiency electric equipment	Electrical Service and Panel Upgrade
	Electric Wiring

- (a) All equipment must meet the following requirements:
- Remove all fossil fuel equipment where technically and economically feasible.
  - All air-source heat pumps must be listed on the Northeast Energy Efficiency Partnership's (NEEP) Cold Climate Air Source Heat Pump (ccASHP) Product List, or meet the most recent ENERGY STAR Cold Climate product criteria.
  - All equipment must be ENERGY STAR Certified or CEE North Region Certified.
  - All equipment that uses refrigerants must follow the statutory global warming potential (GWP) limits from the Washington State Department of Ecology and the U.S. Environmental Protection Agency (EPA), and where technically and economically feasible, must use low GWP refrigerants listed by the EPA's Significant New Alternatives Policy (SNAP) Program, or the California Air Resources Board (CARB).
- (b) Mechanical, electrical, and plumbing (MEP) equipment may be eligible if necessary for the installation of eligible high-efficiency electric equipment listed in Table 1.
- (c) Education and outreach resources to promote the adoption of high-efficiency electric equipment and build workforce capacity.
- (d) Program administration costs not to exceed 15 percent of grant funds.

## **Task 2: Program Work Plan and Outcomes**

Grantees must provide a work plan to COMMERCE. Work plans must address the following:

1. High-level description of the program, including goals and outcomes.
2. Description of the jurisdiction that the program will serve. This may include information on rural status, median income, and population demographics.
3. Total funding for the program – Commerce grant funds plus matching funds – and an anticipated budget that must include at a minimum:
  - a. Costs for rebates and incentives for eligible high-efficiency electric equipment
    - i. Costs should be categorized into the funding allocated to household and small business rebates and incentives, and subsequently by the eligible equipment rebates and incentives the program is providing (as described in Task 1).
  - b. Costs for outreach and education, if applicable.
  - c. Administrative costs.
4. Grantees must ensure that their program only provides rebates and incentives to the eligible rebate recipients listed in Task 1.
  - a. What populations or subsets of the listed eligible rebate recipients, does this program primarily serve? How will your jurisdiction prioritize the populations that will receive rebates and incentives?
  - b. How will the program qualify eligible households and small businesses to receive rebates or incentives? Possible methods for verifying eligibility of households may include participation in other income-qualified benefits programs (LIHEAP, SNAP, etc), tenancy in income-qualified housing units, or other methods, which verify income against the thresholds described in Task 1.
5. Describe how your jurisdiction, and any partners or subcontractors will, provide outreach and education about the program, and resources for the installation of high efficiency electric equipment.
  - a. What strategies will this program use to reach low-income households, vulnerable populations, and overburdened communities?
6. Describe the process for distributing rebates and incentives, including any application process that rebate recipients or contractors must follow.

7. Describe partnerships or subcontracts that the Grantee will use to complete the proposed scope of work of the program.

### **Task 3: Expenditure Reporting**

1. All Grantees are required to submit Project and Expenditure Reports
  - a. Grantees must provide COMMERCE quarterly reports with an official expenditure report/ledger from their general ledger for all expenses claimed for COMMERCE funding from the program and any backup invoice documentation requested from COMMERCE. The expenditure report/ledger must include:
    - i. Number of households and small businesses that were provided rebates and incentives to purchase or install high-efficiency electric equipment and appliances
    - ii. Site information for households and small businesses that received rebates and incentives:
      1. Address, city, and zip code
      2. Date rebate or incentive claimed or issued
      3. Household income or small business size verification
      4. Pre-rebate fuel type of the household or small business
      5. Technical specifications of the equipment and appliances purchased or installed through the program, including, but not limited to the equipment brand, certifications, efficiency (SEER/HSPF/EER/COP), and cost
      6. Amount of the rebate or incentive claimed or issued
      7. Applicable building and electrical permit numbers
2. Grantees must provide COMMERCE an official final/close out expenditure report/ledger from their general ledger for all expenses claimed for COMMERCE funding from the program.
3. Grantees shall also provide information for any subawards, contracts, transfers, and direct payments made using funding from the program.
4. COMMERCE will withhold 2% of the total reimbursable amount for each item listed in Attachment B: Budget until the Grantee provides the official report/ledger from their general ledger for all expenses claimed for COMMERCE funding from the program.

### Attachment B: Budget

Item	Description	Amount
1	Grant to administer a rebates and incentives program for high-efficiency electric equipment and appliances	\$1,100,000.00
	<b>Total Grant Amount</b>	<b>\$1,100,000.00</b>

## Attachment C: Program Work Plan

### 1. High-level description of the program, including goals and outcomes.

The HEAR funds allocated to Grant PUD will provide energy efficient appliances or ductless heat pumps in the homes of income qualified, underserved, and vulnerable customers within Grant County, Washington, with no out-of-pocket expense to them. Our goal is to reach 8.5% of the approximately 4,781 low-income households in Grant County with this program. That is 411 households. In addition, our goal is to serve 30 small businesses under the program.

#### Low-income Household Goals

- Install energy efficient appliances in 381 homes, for approximately \$535,000.
- Install ductless heat pumps in 30 homes, for approximately \$300,000.
- Installation and delivery costs, for approximately \$100,000.

#### Small Business Goals

- Assist 30 small businesses with energy efficient appliance upgrades, or ductless heat pumps, for approximately \$100,000.
- Contractor fees, for approximately \$65,000.

The outcome of this is the reduction in energy bills for 8.5% of Grant County's underserved and vulnerable community; the reduction in energy consumption due to the new energy efficient appliances; the potential for the energy savings to count towards Grant PUD's I-937 biennial conservation targets to maintain compliance; the potential to leverage the HEAR program to become compliant with CETA; and improve our underserved and vulnerable customers' quality of life, build a more sustainable future, and increase the capacity on Grant PUD's electrical system.

### 2. Description of the jurisdiction that the program will serve. This may include information on rural status, median income, and population demographics.

Grant PUD's HEAR program will be open to income eligible customers in our service territory. Our service territory is all of Grant County, with small pockets of customers in Lincoln County and Adams County.

#### Grant County Demographics

- In 2021, Grant County's population was 97,874, with a median age of 33.2 and a median household income of \$63,566. Between 2020 and 2021, there was a 1.27% population increase, and a 7.44% median household income increase, from \$59,165 to \$63,566. (From the datausa.io website)
- According to the HUD website, 80% of the annual median income for a single person household in Grant County in 2023 is \$47,250.
- Per the Washington State Department of Health Fact Sheet, using Census 2000 and Census 2010 SF 1, 47.3% of residents in Grant County are rural and 38.7% are urban.
- According to the Current Population Survey (CPS), the unemployment rate in Grant County as of February 2024 was 8.5%. This places Grant County 4<sup>th</sup> out of 39 counties in the State for the highest unemployment rate.

### 3. Total funding for the program – Commerce grant funds plus matching funds – and an anticipated budget that must include at a minimum:

#### a. Costs for rebates and incentives for eligible high-efficiency electric equipment



**i. Costs should be categorized into the funding allocated to household and small business rebates and incentives, and subsequently by the eligible equipment rebates and incentives the program is providing (as described in Task 1).**

Grant PUD has been extended an offer of \$1,100,000 in funding from the HEAR program. If accepted, we anticipate spending \$100,000 on eligible small businesses (likely ductless heat pumps) and \$835,000 on eligible residential households. The HEAR grant program allows for 15% of the award (\$165,000) to go towards installation and contractor fees. We have identified the following list of eligible appliances and their anticipated cost (excluding taxes, fees, and installation):

- Ductless heating/cooling pump, \$10,000
- Heat pump water heater, 50 gallon, \$1,950.00
- Energy Star induction stove, \$1,099.00
- Energy Star refrigerator, 20.2 cf, \$649.00
- Energy Star dishwasher, \$349.00
- Energy Star clothes washer and dryer, \$1,596.00
- Energy Star ventless heat pump dryer, \$898.00
- Electric panel and wiring upgrades when required for new electric equipment installation, TBD

**b. Costs for outreach and education, if applicable.**

There will be no additional costs for outreach, education, or marketing. Nothing will be 'charged back' to the HEAR program for reimbursement of education and outreach. Grant PUD will absorb any of these additional costs if they occur.

**c. Administrative costs.**

Grant PUD will absorb all the cost of PUD staff when administering the HEAR program.

**4. Grantees must ensure that their program only provides rebates and incentives to the eligible rebate recipients listed in Task 1.**

**a. What populations or subsets of the listed eligible rebate recipients, does this program primarily serve? How will your jurisdiction prioritize the populations that will receive rebates and incentives?**

Similar to CETA programs we are developing, Grant PUD's HEAR program will serve any income qualified household in our service territory. We have data that identifies our customers currently on our senior/disabled low-income discount. In addition to any general marketing we perform, we will be able to contact customers with the highest energy burden. The more customers we can get below a 6% energy burden, the better. We can partner with local agencies to share the HEAR program qualifications and they can refer customers to Grant PUD. We will be at community outreach events, *i.e.*, community senior picnic, food distribution events, and the county fair, to promote the HEAR program. We will work with our Public Affairs department to develop marketing strategies utilizing bill inserts, social media, our website, etc. And, our Customer Service Representatives are the front line employees who can promote the HEAR program with potentially eligible customers.

**b. How will the program qualify eligible households and small businesses to receive rebates or incentives? Possible methods for verifying eligibility of households may include participation in other income-qualified benefits programs (LIHEAP, SNAP, etc.), tenancy in income-qualified housing units, or other methods, which verify income against the thresholds described in Task 1.**

Grant PUD will qualify residential customers similar to the way we do with our current discount programs. Customers who have previously qualified for our discount programs within the past 12 months will not need to reapply, unless their income has changed. Customers will provide us the following:

- Name
- Spouse Name
- Account Number
- Physical Address
- Phone Number
- Email Address
- Own or Rent
- Number of people in the household
- Three months of income (by showing Social Security, award letter, bank statements, child support, TANIF, W2/Tax return, pay stubs, retirement, unemployment)
- Photo identification

Staff then calculates their average monthly income and verifies they qualify. Low-income customers qualify at or below 80% of Area Median Income (AMI). Moderate-income customers qualify at 80% to 150% of AMI.

In accordance with the Agreement (Contract No. 24-92701-018) between Commerce and Grant PUD and RCW 39.26.010(22), Grant PUD will verify small business eligibility by confirming the following:

- A. The business is an in-state business, including a sole proprietorship, corporation, partnership, or other legal entity, that:
    1. Certifies, under penalty of perjury, that it is owned and operated independently from all other businesses and has either:
      - a. Fifty or fewer employees; or
      - b. A gross revenue of less than seven million dollars annually as reported on its federal income tax return or its return filed with the department of revenue over the previous three consecutive years; or
  - B. Is certified with the office of women and minority business enterprises under chapter 39.19 RCW.
- 5. Describe how your jurisdiction, and any partners or subcontractors will, provide outreach and education about the program, and resources for the installation of high efficiency electric equipment.**
- a. **What strategies will this program use to reach low-income households, vulnerable populations, and overburdened communities?**

Grant PUD will utilize our current social media platforms to share program information. In addition, we will update our website. We can use bill inserts and update the messaging customers hear when on hold to educate about the program. Grant PUD can create advertising and signage for all our local office locations within the service territory. Our presence in the community will also allow us to inform customers of the program. Currently, we have scheduled a community senior picnic, a food distribution event, and the county fair.

Additionally, we will directly call customers who are currently on our discount programs or have received bill assistance and have the highest energy burden percentage. If we can utilize the HEAR program to also comply with CETA, it would be a success.

Grant PUD also has a new position coming on board in May. This Residential Customer Strategist will be focused on improving the customer experience and advocating the voice of the customer. We can partner with that employee and educate them about the HEAR program so they can spread the word.

We are also looking at creative ways to connect with our underserved, vulnerable, and non-English speaking customers. We are exploring how to better meet our customers where they are.

If Grant PUD chooses to partner with local helping agencies, we will inform them of the program basics and request they send all customers directly to us.

**6. Describe the process for distributing rebates and incentives, including any application process that rebate recipients or contractors must follow.**

Customers will contact Energy Services and complete an application. If they qualify, customers can choose one (1) eligible appliance from the list. Grant PUD will purchase the full price of the appliance, including tax, delivery, installation, and arrange for delivery to the customer's address. The vendor will contact the customer directly and communicate the delivery date and time. The appliance will be delivered to the customer, and the vendor will be responsible for providing proof of delivery, installation, and receipt to Grant PUD.

Grant PUD will track the dates of each step in the process to ensure completion of the process, and that no step is left undone. We will also separately track each qualified customer's information, including which appliance they chose, the energy and cost savings outcome, and the total of the vendor invoice for reporting purposes to Commerce and Grant PUD's leadership.

**7. Describe partnerships or subcontracts that the Grantee will use to complete the proposed scope of work of the program.**

Pursuant to all applicable state and federal procurement laws and Grant PUD governance, Grant PUD will utilize a competitive procurement process to select a local contractor for the purchase and installation of the ductless heating and cooling units. A separate but similar process will be used to select a local vendor for purchasing and delivering appliances. We will engage Grant PUD procurement staff to assist in this process and find the most qualified and most economical option. All other work will be done internally by Grant PUD staff.

In accordance with the Agreement (Contract No. 24-92701-018), Grant PUD will submit reports, in a form and format to be provided by Commerce and at intervals as mutually agreed, regarding contracted work performed, including, but not limited to minority-owned, woman-owned, and veteran-owned business subcontractors.

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