

**A G E N D A**

**GRANT COUNTY PUBLIC UTILITY DISTRICT  
30 C Street SW – Commission Meeting Room  
Ephrata, Washington  
COMMISSION MEETING  
Tuesday, June 27, 2023**

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

- 8:30 a.m.** Commission Convened  
Review and Sign Vouchers
- 9:00 a.m.** Reports from staff
- 12:00 Noon** Lunch
- 1:00 p.m.** Safety Briefing  
Pledge of Allegiance  
Attendance  
Public requests to discuss agenda items/non-agenda items  
Correspondence  
Business Meeting

**1. Consent Agenda**

Approval of Vouchers

Meeting minutes of June 13, 2023

**2. Regular Agenda**

9022 – Resolution Adopting a Non-Travel Meals Policy.

9023 – Resolution Amending Grant PUD’s Travel Policy and Superseding All Prior Resolutions Relating to Grant PUD’s Travel Policy.

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 1 to Contract 430-08476 with Moss Adams LLP, increasing the not-to-exceed contract amount by \$726,000.00 for a new contract total of \$1,926,000.00, revising the rate schedule, extending the contract completion date to July 1, 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. 1. (3450)

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

XXXX – Resolution Accepting a Bid and Awarding Contract 130-11694HR, for West Canal Substation Labor – Rebid.

XXXX – Resolution Accepting a Bid and Awarding Contract 130-11695H, For Quincy Foothills Substation Labor

Motion authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 11 to Contract 430-4045 with Voith Hydro, Inc increasing the not-to-exceed contract amount by \$15,820,834.00 for a new revised contract total of \$75,876,052.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 11. (xxxx)

**4. Calendar**

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

**Adjournment**

# **CONSENT AGENDA**

# Draft – Subject to Commission Review

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

June 13, 2023

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: 596 502 173# with the following Commissioners present: Nelson Cox, President; Tom Flint, Vice-President; Terry Pyle, Secretary; Larry Schaapman, Commissioner and Judy Wilson, Commissioner.

An executive session was announced at 8:30 a.m. to last until 9:00 a.m. to review performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 9:00 a.m. and the regular session resumed.

The Commission convened to review vouchers and correspondence.

The Commission recessed at 9:07 a.m.

The Commission resumed at 9:30 a.m.

A round table discussion was held regarding the following topics: appreciation noted to Safety Day planning committee and all participating/presenting employees; NC Power Systems voucher inquiry; follow-up from Commissioner Flint regarding tree removal policy; customer inquiry regarding waste to energy project option; customer compliment via Commissioner Pyle to Ralph Gonzalez who recently went above and beyond in providing outstanding customer service; WPUA vote for financial support of a Net Metering study to provide better understanding of the drivers and magnitude of cost-shifting caused by distributed generation; Orange and Blue U program update; report from Commissioner Schaapman regarding Sabey expansion; request from Sabey (via Commissioner Schaapman) regarding system impact study, load availability, and confirmation of proposed project timeline; request from Commissioner Schaapman for additional discussion regarding the QTEP project and potential utilization of the existing Jericho line; kick-off of Customer Experience strategy session; continued work on other key pillar strategy sessions; Mid-C General Manager/Commissioner dinner meeting; Rich Wallen, GM/CEO meeting with Brian Gray, IBEW Business Partner; APPA National Conference; report from Commissioner Nelson regarding recent Marion Drain Sturgeon Spawning event; and Commissioner Wilson noted a recent Bloomberg article regarding increased need for cloud space due to growing artificial intelligence technology.

Tom Dresser, Manager of Fish and Wildlife, provided the Fish and Wildlife Report.

Jennifer Sager, Senior Manager of Accounting, presented an overview of the Travel and Non-Travel Meal policies.

David Parkhurst, Manager of IT – ET Telecom Network Services, and Kevin McKee, Telecommunications Engineer, provided an overview of the proposed Nokia Contract.

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

An executive session was announced at 11:40 a.m. to last until 12:55 p.m. to discuss pending litigation with legal counsel present pursuant to RCW 42.30.110(1)(i) and to review performance of a public employee pursuant to RCW 42.30.110(1)(g). The executive session concluded at 12:55 p.m. and the regular session resumed.

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

Payment Number	132023	through	132681	\$20,254,046.90
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Payroll Direct Deposit	217629	through	218431	\$2,409,742.03
Payroll Tax and Garnishments	20230531A	through	20230531B	\$1,043,486.48

Meeting minutes of May 23, 2023.

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

Resolution No. 9018 relative to approving a policy was presented to the Commission. Motion was made by Mr. Flint and seconded by Mr. Schaapman to approve Resolution No. 9018. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9018

A RESOLUTION AMENDING GRANT PUD’S CUSTOMER SERVICE POLICY

Recitals

1. Grant PUD is authorized by RCW 54.16.040 to regulate and control the use, distribution, rates, service, charges and price of energy; and
2. Grant PUD’s Chief Customer Officer and staff are of the opinion that the revised Customer Service Policies are 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 sections 2, 4, 5, 6, 9 and 10, as set forth in the attached Exhibit A are hereby approved and adopted and shall be effective September 1, 2023.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 13<sup>th</sup> day of June, 2023.

Resolution No. 9019 relative to bond refinancing was presented to the Commission. Motion was made by Mr. Schaapman and seconded by Mr. Pyle to approve Resolution No. 9019. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9019

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE OF ELECTRIC SYSTEM REVENUE REFUNDING BONDS OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$55,000,000 FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING ELECTRIC SYSTEM BONDS; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS

Resolution No. 9020 relative to bond refinancing was presented to the Commission. Motion was made by Mr. Flint and seconded by Mrs. Wilson to approve Resolution No. 9020. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9020

A RESOLUTION OF THE COMMISSION OF PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY, WASHINGTON, PROVIDING FOR THE ISSUANCE OF ONE OR MORE SERIES OF PRIEST RAPIDS HYDROELECTRIC PROJECT REVENUE AND REFUNDING BONDS OF THE DISTRICT IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$180,000,000 FOR THE PURPOSE OF FINANCING IMPROVEMENTS TO THE DISTRICT’S PRIEST RAPIDS HYDROELECTRIC PROJECT AND DEFEASING AND/OR REFUNDING CERTAIN OUTSTANDING PRIEST RAPIDS PROJECT REVENUE BONDS; AND DELEGATING AUTHORITY TO APPROVE THE FINAL TERMS OF THE BONDS

Resolution No. 9021 relative to memorializing and honoring Rex Buck, Jr. was presented to the Commission. Motion was made by Mr. Flint and seconded by Mr. Schaapman to approve Resolution No. 9021. After consideration, the motion passed by unanimous vote of the Commission.

RESOLUTION NO. 9021

A MEMORIAL RESOLUTION IN HONOR OF REX "PUCK HYAH TOOT" BUCK, JR.  
(1955-2022)

Recitals

1. The Grant PUD and Wanapum of Priest Rapids, for nearly 70 years have lived as one in mutual well-being to honor and uphold the sacred bond of trust entered into between Grant PUD and the Wanapum in 1957. Beginning in 1953 with Johnny Buck, then with Frank Buck, and most recently with Rex Buck, Jr.; the sacred bond between the Wanapum and Grant PUD nourishes a relationship built on integrity, trust, and honor.
2. Rex Buck, Jr., paternal grandson of Johnny Buck, has provided guidance and council throughout his lifetime, contributing to greater understanding and continued appreciation of Wanapum life as Spiritual Leader of the Priest Rapids Longhouse and renowned bell ringer of the Washat religion all across the Pacific Northwest. People of all religious denominations sought his guidance and insight and he never hesitated to assist anyone.
3. Dedicating his entire adult life to protection, preservation, and perpetuation of Wanapum cultural sustenance, Rex served as the Wanapum and Grant PUD Liaison fostering countless relationships across the country at a local, state, and federal level and with neighboring Tribes to carry the light of the Wanapum and solidifying his commitment to taking care of Wanapum children and the unborn through his wisdom, patience, and oral teachings. His ability to connect with all that he crossed paths with will serve his people for many generations. His legacy is marked by his smile, laughter, wisdom, and willingness to share the culture and history of the Wanapum with not only Grant PUD but all that had an open heart and mind to listen.

NOW, THEREFORE, BE IT RESOLVED that Rex "Puck Hyah Toot" Buck, Jr., having so well served the Grant PUD, will not be forgotten.

BE IT FURTHER RESOLVED that in his memory the Grant PUD hereby reaffirms its relationship with the Wanapum of Priest Rapids, knowing his spirit will continue to guide, protect, preserve, and perpetuate.

FINALLY, BE IT RESOLVED that our sacred bond and relationship remains, as strong as when made, in his memory.

PASSED AND APPROVED by the Commission of the Public Utility District No. 2 of Grant County this 13<sup>th</sup> day of June, 2023.

Motion was made by Mr. Schaapman and seconded by Mr. Flint authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 7 to Contract 130-08756 with North Sky Communications, LLC, increasing the not-to-exceed contract amount by \$16,300,000.00 for a new contract total of \$87,000,000 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. 7. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Flint and seconded by Mr. Pyle authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 9 to Contract 430-4151 with Jack R Benjamin and Associates increasing the not-to-exceed contract price by \$1,000,000.00 for a new contract total of \$3,000,000.00, extending the contract completion date to June 30, 2025 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. 9. After consideration, the motion passed by unanimous vote of the Commission.

Motion was made by Mr. Flint and seconded by Mr. Pyle authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Contract 430-10427R with Nokia Networks "Nokia of America Corporation" in an amount not-to-exceed \$3,663,606.42. After consideration, the motion passed by unanimous vote of the Commission.

The Commissioners reviewed future agenda items.

The Commission calendar was reviewed.

Annette Lovitt, Public Affairs Officer, and Rosalie Black, Public Affairs Officer, presented the Community Engagement Activity Report.

Trade association and committee reports were reviewed.

The Commission recessed at 2:42 p.m.

The Commission resumed at 6:00 p.m.

The Commission attended a Mid-C General Manager/Commissioner dinner meeting at Jacks At The Market, 1004 F Street SW, Quincy, Washington.

There being no further business to discuss, the June 13, 2023 meeting officially adjourned at 8:00 p.m.

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Nelson Cox, President

ATTEST:

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Terry Pyle, Secretary

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Tom Flint, Vice President

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Larry Schaapman, Commissioner

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Judy Wilson, Commissioner

# **REGULAR AGENDA**



RESOLUTION NO. 9022

A RESOLUTION ADOPTING A NON-TRAVEL MEALS POLICY

Recitals

1. Grant PUD desires to establish a Non-Travel Meals Policy to clarify expectations, strengthen internal controls, and ensure consistency and equity related to such expenses; and
2. Grant PUD's Executive Management has reviewed the Non-Travel Meals Policy and recommends its adoption.

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

Section 1. The Non-Travel Meals Policy attached hereto is hereby adopted and shall be effective August 1, 2023.

Section 2. The General Manager/CEO is authorized to modify Grant PUD's Non-Travel Meals Policy from time to time subject to the following limitations:

1. Expenses shall be limited to that which is necessary for and consistent with Grant PUD business requirements.
2. The policy and reimbursements shall always be subject to and consistent with the requirements of all applicable laws and regulations.
3. Only reasonable and necessary expenses incurred in accordance with the requirements contained herein shall be reimbursed by Grant PUD.
4. Any proposed change to the policy shall be submitted to Grant PUD's Commission at least 20 days prior to being put into effect. For clarity, the 20-day timeline begins on the date of the applicable Commission meeting.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 27<sup>th</sup> day of June, 2023.

ATTEST:

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President

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Secretary

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Vice President

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Commissioner

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Commissioner

**MEMORANDUM**

June 13, 2023

**TO:** Rich Wallen, General Manager/Chief Executive Officer  
**VIA:** Bonnie Overfield, Chief Financial Officer  
**FROM:** Jennifer Sager, Senior Manager Accounting  
**SUBJECT:** Establish a Non-Travel Meals Policy

**Purpose:** To request Commission approval of the attached Non-Travel Meals Policy, effective August 1, 2023.

**Discussion:** A new Non-Travel Meals Policy is being proposed to:

- Incorporate [AG guidance, "Eating and Drinking at Public Expense"](#) (issued in 1987 and still the leading authority);
- Strengthen internal controls; and
- Ensure consistency and equity in the application of the policy.

Historically, we have provided minimal guidance on this topic, and what was provided was in the Travel Policy. We have removed any guidance on this topic from the Travel Policy (also in your packet in parallel to this request) and propose proceeding with this new policy.

A summary of the proposed policy requirements and why they have been incorporated can be found below. The final content can be viewed in the attached policy.

All employees will have the opportunity to receive training on this policy prior to the effective date. Within 30 days following the effective date, all employees will be required to acknowledge they have read and understand the policy.


Requirement	Purpose
Meals allowed under certain conditions only and with prior approval from the Senior Manager or above.	Must be a reasonable and necessary business expense and use of public funds
The cost of meals cannot exceed 150% of federal per diem for the applicable meal per person, including taxes (does not include tip not to exceed 20% and any delivery charges).	Clarity, consistency, and equity
Specifies when meals are not allowed, which includes: <ul style="list-style-type: none"> <li>• Employee birthdays, weddings, baby showers, anniversaries, or other occasions of a personal nature.</li> <li>• Holiday celebrations</li> </ul>	Not a reasonable or necessary business expense or use of public funds.
Refreshments no longer allowed	Not a reasonable or necessary business expense or use of public funds.
Food for retirement/farewell events for employees leaving the District are capped at \$100 and require prior approval of the Senior Manager or above.	Clarity, consistency, and equity
Exceptions to the policy may be approved by a member of Executive Management. Accounting will maintain an exception log and provide a quarterly report to Executive Management.	Consistency and equity in application of the policy. Transparency and tracking.

The policies below all contain language related to non-travel meals. To ensure there are no conflicts, these documents will also be updated:

- Employee Recognition Policy - Any meals provided as part of a team celebration must be in accordance with the Non-Travel Meals Policy.
- Community Activity Policy - The reimbursement of any meals provided during Grant PUD-approved participation in a service club must be in accordance with the Non-Travel Meals Policy.
- Recruitment Expenses - Any meals provided to candidates as part of the recruitment process must be in accordance with the Non-Travel Meals Policy.

**Recommendation:** Commission approval of the attached Non-Travel Meals Policy, effective August 1, 2023.

**Legal Review:** See attached email.

<b>Effective Date:</b> 8/1/2023	<b>Version:</b> 1 <b>Supersedes:</b> NA	<b>Related Documents:</b> Employee Recognition Policy, Community Activity Policy, Recruitment Expenses Policy
		<b>DISTRICTWIDE POLICY</b>
<b>Approved by:</b> Commission		<b>Regulation:</b> Chapter 42.24 RCW, Resolution XXXX
<b>Policy Owner:</b> Senior Manager Accounting		<b>Policy Category:</b> Financial

## FIN-AC-POL-220 – NON-TRAVEL MEALS

### 1. Scope

This policy applies to all Grant PUD employees.

### 2. Policy Statement

The purpose of this policy is to establish standards for Grant PUD payment or reimbursement of prudent, necessary, and legitimate meal expenses incurred during official Grant PUD business not associated with travel.

This policy does not cover employee meals for day or overnight travel outside of Grant PUD’s service territory/projects. See Travel Policy.

### 3. Policy


A. In accordance with guidance provided by the Washington State Attorney General’s Office, refreshments (snacks or food and beverage typically consumed between meals) are not reasonable or necessary business expenses and are not allowed at Grant PUD’s expense.

B. A meal may be allowed for meetings, trainings, or events held to conduct official Grant PUD business when one or more of the following requirements are met:

- In-person participation is required for a period of four hours or more that runs through the normal meal period (e.g., noon to 1:00 pm), and cannot reasonably be held at any other time.
- It’s held at an offsite facility where food is included, or use of the facility caterer is required as part of the facility rental.
- It’s held at a location where participants cannot reasonably be expected to obtain and consume a meal within one hour on their own because food service options are limited or unavailable.
- It’s a team celebration authorized in accordance with the Employee Recognition Policy.
- It’s provided as part of Grant PUD’s new hire orientation facilitated by Human Resources and Organizational Development.

Prior written approval of the Senior Manager or above is required. The Senior Manager or above will determine if the request is within the constraints above. The employee must include the following in their request:

- Business purpose

<b>Effective Date:</b> 8/1/2023	<b>Version: 1</b> <b>Supersedes:</b> NA	<b>Related Documents:</b> Employee Recognition Policy, Community Activity Policy, Recruitment Expenses Policy
		<b>DISTRICTWIDE POLICY</b>
<b>Approved by:</b> Commission		<b>Regulation:</b> Chapter 42.24 RCW, Resolution XXXX
<b>Policy Owner:</b> Senior Manager Accounting		<b>Policy Category:</b> Financial

- Direct benefit to Grant PUD
- Agenda, including dates and times
- Names of anticipated attendees (including instructors), whether they are a Grant PUD employee, contractor, or member of the community, their title, and their capacity as it relates to Grant PUD business
- Estimated cost

C. Costs for meals shall be approached in the most economical manner and shall not exceed 150% of the [federal per diem rate](#) for the applicable meal per person, including taxes. Delivery charges and tips, which shall not exceed 20%, are allowed and are incremental to this amount. The incidental rate is not applicable.

D. With prior written approval of the General Manager, District-wide employee activities or events that serve a Grant PUD purpose may include a meal at Grant PUD’s expense, subject to the cost limitations in Section 3.C above. This includes:


- Annual District-wide Employee Appreciation Event
- Annual Safety Days Event

E. With prior written approval of the Senior Manager or above, retirement or farewell events for employees leaving Grant PUD that are held on Grant PUD premises may include food (e.g., cake, ice cream) at Grant PUD’s expense with a maximum expenditure of \$100.00 per event. This does not include gifts, flowers, or other items that are not shared with other attendees. The request for reimbursement must include itemized receipts, the name of the retiring employee, and the date of the retirement or farewell event.

F. Employees authorized to participate in a service club in accordance with the Community Activity Policy are eligible for reimbursement of the actual meal expense if it is directly related to and necessary for attending the business meeting. Such expense shall be subject to the cost limitations in Section 3.C above. The business purpose must be included in the request for reimbursement.

G. Meals shall not be provided at Grant PUD’s expense for the following:

- Employee birthdays, weddings, baby showers, anniversaries, or other occasions of a personal nature. Exceptions to these requirements are not permitted.
- Holiday celebrations
- Meals provided to candidates as part of the recruitment process unless approved as an exception in accordance with Section 4 below. If allowed as an exception, the candidate is not eligible to claim per diem for that meal.
- Meals provided as a welcome for new hires, except for those provided at Grant PUD’s new hire orientation in accordance with Section 3.B above.

<b>Effective Date:</b> 8/1/2023	<b>Version:</b> 1 <b>Supersedes:</b> NA	<b>Related Documents:</b> Employee Recognition Policy, Community Activity Policy, Recruitment Expenses Policy
		<h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>
<b>Approved by:</b> Commission		<b>Regulation:</b> Chapter 42.24 RCW, Resolution XXXX
<b>Policy Owner:</b> Senior Manager Accounting		<b>Policy Category:</b> Financial

H. The employee must attach the approval documentation required by this policy to the applicable PCard reconciliation, direct invoice, or employee request for reimbursement.

I. Non-travel meal expenses for non-employees will be allowed only if the non-employee is performing a service for Grant PUD for which the person would otherwise be authorized or eligible to be paid compensation or reimbursement by Grant PUD or there is a cost benefit to Grant PUD. This should not be construed to permit promotional hosting.

If the non-employee is a Grant PUD contractor, it is the responsibility of the employee coordinating to ensure the contractor does not charge Grant PUD for the provided meals through their invoice.

J. This policy applies whether the expense is paid through PCard, direct invoice, or employee reimbursement via a Statement of Expense.

#### 4. Policy Exceptions

Any exceptions to this policy must have prior written approval from a member of Executive Management. Accounting will maintain an exception log and provide a quarterly report to Executive Management.

The meal criteria specified in Section 3.B does not apply to elected officials (see RCW 54.12.080).


#### 5. Non-Compliance

Non-compliance with this policy, including recurring instances of mistake or inadvertence resulting in additional expense to Grant PUD, will be treated as a performance issue and may result in appropriate corrective action in accordance with Grant PUD’s Progressive Discipline Policy. Such action may include employee responsibility for the expense or other discipline determined to be appropriate by Grant PUD. For bargaining unit employees, discipline will be carried out consistent with section 2.4.1 of the Collective Bargaining Agreement.

#### 6. Risks/Risk Owners

A. This policy, along with other control mechanisms, is intended to mitigate the following risks:

- Authority Risk
- Integrity Risk
- Regulatory Risk
- Reputation Risk

<b>Effective Date:</b> 8/1/2023	<b>Version: 1</b> <b>Supersedes:</b> NA	<b>Related Documents:</b> Employee Recognition Policy, Community Activity Policy, Recruitment Expenses Policy
		<b>DISTRICTWIDE POLICY</b>
<b>Approved by:</b> Commission		<b>Regulation:</b> Chapter 42.24 RCW, Resolution XXXX
<b>Policy Owner:</b> Senior Manager Accounting		<b>Policy Category:</b> Financial

B. Risk Owners are all Grant PUD employees who either approve and/or purchase non-travel meals.

**7. Review/Revision History**

Date	Description
8/1/2023	v1 Effective Date

RESOLUTION NO. 9023

A RESOLUTION AMENDING GRANT PUD'S TRAVEL POLICY AND SUPERSEDING ALL PRIOR  
RESOLUTIONS RELATING TO GRANT PUD'S TRAVEL POLICY

Recitals

1. Grant PUD desires to update the Travel Policy to clarify expectations, strengthen internal controls, and ensure consistency and equity in the application of the policy; and
2. Grant PUD's Executive Management has reviewed the attached Travel Policy and recommends its adoption.

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

Section 1. The attached Travel Policy is hereby approved and adopted and shall be effective August 1, 2023.

Section 2. The General Manager/CEO is authorized to modify Grant PUD's Travel Policy from time to time subject to the following limitations:

1. Employee travel shall be limited to that which is necessary for and consistent with Grant PUD business requirements.
2. The policy and travel reimbursements shall always be subject to and consistent with the requirements of all applicable laws and regulations.
3. Only reasonable and necessary travel and expenses incurred in accordance with the requirements contained herein shall be reimbursed by Grant PUD.
4. All travel shall be done in the most prudent and economical manner.
5. Any proposed change to the policy shall be submitted to Grant PUD's Commission at least 20 days prior to being put into effect. For clarity, the 20-day timeline begins on the date of the applicable Commission meeting.

Section 3. As of August 1, 2023, any prior resolutions inconsistent with the Travel Policy adopted herein, including Resolution Nos. 7395 and 8127, are hereby superseded to the extent of the inconsistency.

PASSED AND APPROVED by the Commission of Public Utility District No. 2 of Grant County, Washington, this 27<sup>th</sup> day of June, 2023.

\_\_\_\_\_  
President

ATTEST:

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Secretary

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Vice President



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Commissioner

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Commissioner

**MEMORANDUM**

June 13, 2023

**TO:** Rich Wallen, General Manager/Chief Executive Officer  
**VIA:** Bonnie Overfield, Chief Financial Officer  
**FROM:** Jennifer Sager, Senior Manager Accounting  
**SUBJECT:** Revised Travel Policy

**Purpose:** To request Commission approval of the attached revised Travel Policy, effective August 1, 2023.

**Discussion:** Grant PUD’s Travel Policy had not been thoroughly evaluated and updated since 2012, except for content related to remote work sites (2022). The primary drivers for this policy update are:

- To incorporate [SAO Best Practices for Travel Expenditures](#);
- To strengthen internal controls; and
- To ensure consistency and equity in the application of the policy.

A summary of the proposed policy revisions is below. The detailed changes can be viewed in the attached clean and redline documents.


All employees will have the opportunity to receive training on this policy revision prior to the effective date. Within 30 days following the effective date, all employees will be required to acknowledge they have read and understand the policy.

Topic	Revision
Travel Authorization (TA)	<ul style="list-style-type: none"><li>• Better defined requirements</li><li>• Prior approval of arrangements is required, including all estimated costs and any exceptions.</li><li>• New TA PowerApp is in development to facilitate all TA requests.</li></ul>
Cost Comparison	New Travel Cost Comparison Form required anytime there is personal influence on business travel (e.g., combining business and personal travel, prefer alternate or higher class of travel due to personal preference, etc.). Form to be completed at the time of booking and submitted with SOE.
Statement of Expense	<ul style="list-style-type: none"><li>• Better defined requirements</li><li>• Receipt threshold for non-PCard charges decreased from \$75 to \$50.</li><li>• Removed requirement to attach map if claiming mileage. Just provide start and end locations.</li><li>• Expense reports must be submitted within 30 days of returning from travel.</li></ul>
Air Travel	<ul style="list-style-type: none"><li>• Clarified allowable expenses:<ul style="list-style-type: none"><li>○ Coach airfare with one carry-on bag, one checked bag, and guaranteed seating.</li><li>○ Preferred/upgraded seats allowed for flight legs in excess of 4 hours. Capped at \$250 roundtrip in incremental cost.</li><li>○ In-flight Wi-Fi allowed for business purposes on flights of 2 hours or more</li></ul></li><li>• Clarified expectations around the use of frequent flyer programs for business travel</li></ul>

Topic	Revision
Lodging	<ul style="list-style-type: none"> <li>Lodging may be allowed when the temporary work site is more than 50 miles from the Established HQ or Remote Work Site <u>and</u> if necessary for Grant PUD business. Added for clarity, policy was previously silent on this.</li> <li>Lodging cannot exceed 150% of the <a href="#">Federal Per Diem</a> maximum daily lodging rate. This has been an unwritten rule for many years and has been added to document the expectation. Up to 200% is allowed when approved as an exception.</li> <li>Removed Share the Savings. It was rarely used and created an OH burden to administer.</li> </ul>
Meals	<ul style="list-style-type: none"> <li>Removed the 1 ½ hour rule for determining per diem. This created an OH burden to administer due to varying work schedules. Per diem will instead be determined by established travel status hours for all (6:30 am for breakfast, 12:30 pm for lunch, and 6:30 pm for dinner).</li> <li>Per diem will no longer be reduced if a meal was provided at an event. This created an OH burden to administer.</li> <li>Local time to be used when determining per diem (time zone changes do not apply)</li> <li>Removed content related to non-travel meals and created a separate policy.</li> </ul>
Personal Car	Employees are still responsible for ensuring their personal policy does not exclude business use but are no longer required to include Grant PUD as “also insured.”
Personal Car	Mileage for workday travel within Grant County, in excess of commuting, will be reimbursed. Incorporated reference to Local Mileage Chart. Added for clarity, the policy was previously silent on this.
Rental Car	Employees must obtain the lowest cost option for the type of vehicle necessary to meet the business need. Up to mid-size vehicles or equivalent are allowed.
Other Expenses	Miscellaneous expenses when in travel status are allowed when reasonable and necessary (e.g., printing, copies, shipping, etc.). Receipts are required.
Remote Work Sites	Moved to its own section (was previously under Ground Transportation). No change to the language.
Combining Business and Personal Travel	Added guidelines and incorporated requirement to complete the Travel Cost Comparison Form.
Exceptions (new)	Exceptions must have two levels of approval within the employee’s chain of command (e.g., supervisor and manager, manager and senior manager, senior manager and managing director), up to the General Manager. Accounting will maintain an exception log and provide a quarterly report to Executive Management.
Dispute Resolution (new)	Process provided for disputes regarding the application of this policy.
Non-Compliance (new)	Defined non-compliance and how it will be addressed.


**Recommendation:** Commission approval of the attached revised Travel Policy, effective August 1, 2023.

**Legal Review:** See attached email.

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**FIN-AC-POL-100  
TRAVEL POLICY**

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## 1. Scope

This policy applies to all Grant PUD employees, including commissioners, conducting business for Grant PUD.

## 2. Policy Statement

It is the policy of Grant PUD to reimburse employees for reasonable and necessary expenses incurred in connection with the performance of Grant PUD business. Personal expenses and any costs related to entertainment are not reimbursable. Employees seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety. Reimbursement is allowed only when reimbursement has not been, and will not be, received from other sources. If a circumstance arises that is not specifically covered in this travel policy, then the most conservative course of action should be taken.

## 3. Responsibility


As prudent stewards of public funds, it is the employee's responsibility to be familiar with the provisions of this policy and associated procedures, to incur reasonable and necessary expenses only, and to provide a prompt and proper accounting of all expenditures related to the travel. All employees except members of Executive Management and the Board of Commissioners must have all expense reports reviewed and approved by their immediate supervisor, in writing, prior to processing for reimbursement. Members of Executive Management will obtain a peer approval of all Travel Authorizations and expense reports. Travel Authorizations for the Board of Commissioners will be approved by Executive Services and associated expense reports will include peer approval.

## 4. Travel Authorization

Prior approval from the immediate supervisor is required for all travel to destinations outside Grant PUD's Service Territory/Project. Such travel and approval must be documented via a Travel Authorization (TA). This ensures the travel is authorized, appropriate funds are available, there's a legitimate business purpose for the travel, and the employee is covered by Grant PUD's applicable insurances while traveling (including travel to/from home and to/from ultimate destination).

Each approved TA will be assigned a unique TA number, which must be written on all associated travel claims. Unless there are legitimate circumstances of an urgent or emergency nature, it is Grant PUD's expectation that a TA is approved prior to any reservations being made. The TA must include:

- Estimates of all foreseeable expenses

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- Anticipated dates and times of travel
- Dates and times of associated business activities. Attach documentation, where applicable (i.e., conference agenda, copy of registration, etc.).
- Documentation of all exceptions requested.

Airline tickets, car rentals, and hotel reservations should be arranged well in advance. Employees will be reimbursed up to the amount of the travel alternative that is most economical and advantageous to Grant PUD, taking all associated costs into consideration (flying vs driving, bag fees, parking costs, mileage, lodging, etc.). Employees will not be reimbursed for personal prepayments of travel expenses until the travel has occurred.


## 5. Statement of Expenses

A Statement of Expense (SOE) must be submitted when expenses have been incurred related to the travel. The appropriate SOE template must be used (Day Travel or Overnight) and must include:

- TA number
- All fully itemized costs associated with the travel including any advance payments such as registration fees and transportation costs, and all costs paid by PCard or Travel Card.
- Dates and times the time travel began and ended. See Section 10 below on claiming per diem.
- Dates and times of meeting, conference, or training.
- The vehicle number of any Grant PUD vehicle used during travel.
- If claiming mileage, include the location for each applicable starting point and destination.
- Itemized receipts to document expenses. The employee will include a description of the expense if not self-explanatory. For non-PCard charges of \$50.00 or less, a receipt is not required, but is preferred (unless otherwise specified in this policy). If a receipt is missing for an expense greater than \$50.00, the employee must complete and attach a Missing Receipt Form.
- If there was personal influence on the travel arrangements (e.g., combined business and personal travel, selected a more expensive travel alternative due to personal preference), the employee will attach a completed Travel Cost Comparison Form to document there's no additional cost to Grant PUD.
- If an employee has charged costs in excess of the reimbursable costs, the SOE will document the repayment to Grant PUD.

The completed supervisor-approved SOE will be submitted to Accounts Payable no later than 30 days after returning from travel. Reimbursement will be provided as follows:

- Day travel outside of Grant PUD's service territory/projects (no overnight stay): Any per diem due to the employee is taxable. Any mileage due to the employee is non-taxable.

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- Overnight travel: Any reimbursement due to the employee is non-taxable.

Grant PUD will pay the amount of the travel claim that is allowed under the policy and notify the employee of any amount that was disallowed with a detailed explanation. Any balance in excess of allowable expenses will be paid immediately by the employee to Grant PUD.

Employees who have a dispute regarding the application of this policy may request a review in accordance with Section 20, Dispute Resolution.

If a travel advance was obtained, a copy of the approved SOE must go to the Advance Travel Custodian with any balance due to Grant PUD from the advance.

## 6. Credit Cards

Grant PUD procurement cards (PCards) are available for use by Grant PUD employees for business-related travel expenses in accordance with RCW 42.24.115. For employees who travel infrequently, Grant PUD has generic PCards (Travel Cards) that can be issued for temporary use during travel. The employee will provide a copy of the SOE and all credit card receipts to the PCard administrator and/or Travel Card custodian.

PCard use must be in accordance with Grant PUD’s PCard policies and procedures.

Employees who choose to use a personal credit card for Grant PUD travel expenses will not be reimbursed for business-related travel until travel is complete.


## 7. Travel Advance

Travel advances are available as allowed by RCW 42.24.120 and Grant PUD Resolution No. 4233. Travel advances should not be used in place of a Grant PUD credit card and are not allowed for travel within the United States.

The request for a travel advance is included on the TA form. Requests should be submitted to the Advance Travel Custodian at least 3 working days before the start of travel and will not be released to the employee more than 5 working days prior to the start of travel.

Travel advances should be limited to the per diem calculation plus 20% for unexpected items [(per diem rate) x (# days expected to be at the destination) x 1.2]. If the amount of funds derived from this calculation is determined to be insufficient, the employee’s immediate supervisor may authorize an increased travel advance on a case-by-case basis.

Travel advances must be accounted for and any unused funds repaid in accordance with Chapter 42.24 RCW. Submittal of the detailed SOE and repayment of any unused travel advance must be made on or before the 15th calendar day after travel is complete. If the employee’s repayment check has insufficient funds or if the employee fails to submit

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repayment, Grant PUD may withhold any funds that become payable to the employee up to the amount of the advance and an interest rate of 10% per annum. Payroll will receive a withholding request from the Advance Travel Custodian on the pay period immediately following the NSF notice or lack of repayment for the amount due plus 10% interest. If an SOE is not submitted, the full value of the advance will be withheld. Upon submission of a properly completed and approved SOE, any difference will be issued through Accounts Payable.

## 8. Air Travel

Grant PUD will pay for coach airfare tickets that include a carry-on bag, one checked bag, and the ability to guarantee seating when purchasing the ticket. Grant PUD will not pay for first-class tickets. In the event a flight segment has a scheduled in-air flying time of more than four hours, preferred/upgraded seats not to exceed \$250.00 in incremental costs roundtrip may be paid by Grant PUD only if approved in advance through the TA process.

In-flight Wi-Fi is allowed for business purposes only on flights of two hours or more. All other amenities and/or upgrades are not allowable business expenses and if selected, shall be the responsibility of the employee to cover any additional cost.


Detailed receipts are required. Acceptable airfare receipts include email confirmation receipts, the employee’s copy of the ticket or a paid airline invoice, which must reflect the traveler's name, the dates and destinations of travel, and the total costs paid.

Employees may use the free benefits of a frequent flyer program such as reward miles, vouchers, credits, or other perks for Grant PUD travel (e.g., to upgrade a flight beyond coach airfare) provided the employee purchases the airline ticket in the most prudent and economical manner. The use of such benefits for business travel will not be reimbursed by Grant PUD and shall not impact the employee’s choice of airline for booking travel when other equivalent air travel options present lower cost alternatives to Grant PUD. If using frequent flyer program benefits for business travel, the employee will complete a Travel Cost Comparison Form at the time of booking to document the personal influence did not result in additional costs to Grant PUD.

Travel arrangements should be made as far in advance as possible to take advantage of the most economical rate. Discounts are generally available when tickets are purchased at least 14 days in advance. Every effort should be made to take advantage of excursion fares.

If there are penalties associated with changing reservations, Grant PUD will pay for these provided Grant PUD required the change, the change results in offsetting cost savings, or the change was beyond the control of the employee. Additional expenses and airline change fees incurred as a result of mistake or inadvertence may be approved on an exception basis in



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accordance with Section 19 and attached to the SOE. Penalties or cancellation charges incurred for any other reason will be the responsibility of the employee.

Grant PUD is not responsible for the loss of or damage to luggage or other personal property during travel. If damage or loss occurs, the employee should seek reimbursement through their own insurance or attempt to recover directly from the party responsible, such as an airline.

## 9. Lodging


Grant PUD will pay for lodging when an overnight stay is necessary for Grant PUD business and the temporary work site is located more than 50 miles (most direct route) from the traveler’s Established Headquarters or Remote Work Site, whichever is closest. Exceptions to this must be approved in accordance with Section 19 prior to the travel. Examples of reasonable exceptions include:

- To avoid having the employee drive back and forth for back-to-back late night/early morning official Grant PUD business.
- When the health and safety of the employee is of concern.
- When an employee can demonstrate that staying overnight is more economical to Grant PUD (direct financial, work-related costs).

Employees are expected to use good judgment in the selection of lodging and to utilize the single room government, corporate, or block rates in conjunction with seminar/conference attendance, or lesser available rates when possible. For the period associated with the travel assignment, lodging will be reimbursed at actual cost, which shall not to exceed 150% of the [Federal Per Diem](#) maximum daily lodging rate (not including taxes) in effect at the time of travel for the location of the travel assignment (“Maximum Allowable Rate”). Detailed receipts for lodging are required to document the payment. Lodging costs that exceed the Maximum Allowable Rate will be paid by the employee. When this occurs, taxes will be prorated between the allowable and unallowable costs. Allowable lodging costs include the lodging rate, applicable taxes and fees, but do not include incidentals, damages, etc.

On an exception basis in accordance with Section 19, an increase to the Maximum Allowable Rate of up to 200% of the Federal Per Diem maximum daily lodging rate may be approved when circumstances require. Such approval must be in writing prior to travel and must be included in the TA documentation. Examples of reasonable exceptions include:

- When costs in the applicable area have escalated for a brief period due to special events or disasters.
- Affordable lodging is not available at the location of the travel assignment and the savings achieved from occupying less expensive lodging at a more distant site are offset by an increase in transportation or other costs.

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- The employee will attend a meeting, conference, convention, or training session where they are expected to have business interaction with other participants in the addition to scheduled events, and it is anticipated that maximum benefit will be achieved by authorizing the employee to stay at the lodging facility where the meeting, conference, convention, or training session is held.
- When the health and safety of the employee is at risk.

## 10. Meal Reimbursement

### A. General

Reimbursement for meals for all business travel will be limited to the Federal Per Diem rate, which may be pro-rated, based on the federal per diem meal allowance breakdown, depending on the time of travel. Per diem includes the cost of the meal and the associated taxes and tips. Employees are eligible to receive a meal allowance if the business trip requires them to be in travel status during their normal mealtime (i.e., breakfast, lunch, dinner). To be eligible for the breakfast per diem, an employee must be in travel status at 6:30 am. To be eligible for the lunch per diem, an employee must be in travel status at 12:30 pm. To be eligible for the dinner per diem, an employee must be in travel status at 6:30 pm. Travel status is defined as the official status of an employee when they are away from their Established Headquarters and their Remote Work Site on Grant PUD-related business, exclusive of commuting between their Established Headquarters and their Remote Work Site. Per diem meal allowances are reimbursable even if meals are provided at the meeting, conference, convention, or training.


If the employee travels through multiple locations in a day, the per diem rate for the final destination will be used for applicable meal reimbursement. For overnight travel, the hotel location is used as the final destination for meal reimbursements. For return travel, the per diem rate for the location the employee is departing is used for applicable meal reimbursements. When calculating per diem, local time is used throughout the travel status period without accounting for time zone changes.

Any non-travel meal expense must be in accordance with Grant PUD’s Non-Travel Meal and Refreshment Policy.

### B. Day Travel

For day travel outside of Grant PUD’s service territory/projects (no overnight stay), employees will be paid a taxed per diem for the location of the travel. A day travel SOE is required in accordance with Section 5.

### C. Overnight Travel

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For overnight travel outside of Grant PUD’s service territory/projects, employees will be paid a non-taxed per diem for the location that the employee is staying overnight.

## 11. Ground Transportation

### A. General

Grant PUD vehicles may be used when available in accordance with Grant PUD’s Vehicle/Asset Usage Policy. Any expenses related to a Grant PUD vehicle should clearly identify the vehicle number and TA number.

Carpooling should be used whenever feasible.

Shuttle, transit, and taxi costs will be reimbursed based on actual cost plus a tip not to exceed 20%, if appropriate. When possible, employees should use the most economical method of travel.

Employees may claim mileage, local transportation, use a Grant PUD vehicle, or use the rental car for nominal travel for meals, but any substantial non-business travel must be paid for by the employee.

### B. Personal Vehicle Use

Although the use of fleet vehicles is preferred, the use of personal vehicles for Grant PUD business is allowed and will be reimbursed at the current [IRS Standard Mileage Rates](#). The mileage rate covers the cost of operating an average vehicle, including gasoline, maintenance and repairs, insurance, and depreciation.


Employees will not be paid mileage or travel expenses to commute to their Established Headquarters. This does not apply to elected officials (see RCW 54.12.080).

Mileage for workday travel within Grant County, in excess of commuting, will be reimbursed. For example, travel between the employee’s Established Headquarters and another Grant PUD work site (EHQ to/from HOB, MLLO to/from EHQ, etc.). See FIN-AC-REF-101, Local Mileage Chart.

When traveling on Grant PUD business under an approved TA, mileage will be paid for the lesser of the distance between the travel destination and the employee’s Established Headquarters or the travel destination and the employee’s home or Remote Work Site. If travel occurs on a normally scheduled day off, reimbursement will be calculated from the employee’s home.

Employees who claim mileage should be aware that their auto insurance company must be the primary insurer. It is the employee’s responsibility to ensure their personal auto policies do not exclude business use.

Grant PUD uses internet mileage sites (e.g., mapquest.com) to determine the reasonableness of mileage claimed based on the destinations on the TA. If your mileage

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is substantially different, include a brief explanation on the SOE such as “pass closed, used hwy 2.”

Grant PUD will not reimburse out-of-pocket costs for parking tickets, moving violations, or damages and insurance deductibles related to the use of personal vehicles for official Grant PUD business.

C. Rental Cars

The use of a rental car is permitted when it is in the interest of Grant PUD to do so. Prior approval from the immediate supervisor via the TA is required.

Employees must obtain the lowest cost option for the type of vehicle necessary to meet the business need. Up to mid-size vehicles or equivalent are allowed. The cost of parking, gas, and all related costs should be considered and documented when determining the appropriate lowest cost option during the TA process. If a special or upgrade is offered that is less than or equal to the appropriate lowest cost option, or if additional room is required to accommodate multiple employees traveling together, documentation must be included with the SOE, as well as the cost analysis validating the reason for the upgrade.

Actual cost will be reimbursed when the use of a rental car is necessary and economically beneficial to Grant PUD.

Insurance for the exclusive business use of U.S. & Canadian rentals are covered by Grant PUD’s insurance policy and should not be purchased.

Personal usage of a rental car before, during, or after Grant PUD business travel must be covered by the employee, including rental cost, insurance coverage, and gasoline.

Excess charges due to not returning rental vehicles with the appropriate fuel level as required by the rental agreement will not be reimbursed.


Optional costs such as frequent flyer miles and upgrades are not allowed. If fuel service and other options such as GPS are taken, there should be clear documentation to show they were reasonable and necessary.

Receipts for rental cars and gas shall be required to document the expense. Any personal expense shall be clearly identified and reduced from the cost.

Grant PUD will not reimburse out-of-pocket costs for parking tickets or moving violations related to the use of a rental car for official Grant PUD business.

**12. Other Expenses**

Certain miscellaneous expenses incurred while on travel status may be eligible for reimbursement at Grant PUD’s discretion if they relate to the conduct of official Grant PUD business and are necessary and reasonable. Examples include mail, shipping, and printing

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fees and office supplies. These expenses are not protected under the \$50.00 receipt rule. Receipts are always required.

Reasonable laundry services will be allowed for employees when domestic travel exceeds 7 days or when a domestic trip is unexpectedly extended; foreign travel per diem includes allowance for laundry expenditures.

### 13. Remote Work Sites

Employees working at a Remote Work Site will not be paid mileage or travel expenses from their Remote Work Site to their Established Headquarters. If the employee is required to report to a job site other than their Established Headquarters, mileage will be paid for the lesser of the distance between the job site and their Established Headquarters or the job site and their Remote Work Site.


In the event an employee’s Established Headquarters is their Remote Work Site (see Section 3 of the Remote Work Policy), Grant PUD will pay for travel expenses to and from Grant County (limited to transportation only – mileage, airfare, rental car, etc.) when required for Grant PUD business purposes as well as all applicable travel expenses related to training and conferences calculated from their Remote Work Site as their Established Headquarters rather than Grant County. All travel must be pre-approved by the employee’s supervisor in advance of making travel arrangements and documented on a TA.

### 14. Combining Business and Personal Travel

When personal and business travel are combined, employees must exercise special care not to seek reimbursement for expenses that are personal. The employee must separate the expenses between Grant PUD and personal activities and provide a completed Travel Cost Comparison with their SOE to document personal influence did not result in additional costs to Grant PUD.

If an employee chooses to have a non-employee (e.g., spouse, child) join them on an approved business trip, the additional expense incurred is personal. General guidelines for combining business and personal travel include, but are not limited to:

- PCards shall not be used to pay for any personal expenses.
- Allowable expenses will be limited to the costs directly related to business and for the employee only.
- Any additional lodging days beyond the business dates is considered personal and is not reimbursable.
- The meal per diem is allowed for the business dates only. It is not paid for personal days. The TA and SOE must be clear on what dates the employee would have traveled if they didn’t extend for personal travel.

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- Parking expenses at an airport or hotel must be reduced for personal day expenses.
- Taxi and shuttle expenses during personal days are not reimbursable.
- Any Grant PUD business insurance coverage will not apply during the personal portion of the trip.

**15. International Travel**

Employees traveling outside the United States will be covered under an insurance policy provided through Grant PUD which includes commercial general liability, hired auto liability and physical damage, and accidental death/dismemberment. Employees traveling outside of the United States should contact Enterprise Risk Management for more details.

As a benefit associated with ongoing employment with Grant PUD, Grant PUD may reimburse the employee for personal property losses that can be documented. Claims must be documented to the satisfaction of Grant PUD or they will be denied. This amount is taxable to the employee and will be reimbursed in the pay period following approval.

Employees traveling outside of the United States and Canada should request and carry a current international travel assistance identification card, which includes directions for obtaining medical, legal, evacuation, lost document recovery, and interpreter assistance during international travel. Cards are available from Administrative Assistants or a Risk Analyst.

Prior to departure for international travel, it is recommended that employees refer to the U.S. Department of State Current Travel Warnings and Public Announcements at: <http://travel.state.gov/travel>. For Grant PUD travel to countries declared by the State Department as not suited for travel, approval by the General Manager is required.


Insurance for international rentals should only be purchased if required by the laws governing the location where the rental occurs. Foreign auto liability is included in Grant PUD’s insurance policy. If international travel will include the rental of a vehicle, the employee shall obtain documentation confirming auto liability coverage from a Risk Analyst or Administrative Assistant.

Reimbursement will be allowed for documentation required for international travel (passport, visa, etc.).

**16. Emergencies**

If an employee is in a situation determined to constitute an emergency, the employee shall contact their immediate supervisor. If an employee is not able to return to Grant PUD because of a work-related injury sustained while traveling on Grant PUD business, the employee must inform their immediate supervisor. The supervisor shall contact Safety, contact Enterprise Risk Management, and submit a Condition Report as soon as possible.

**17. Travel During a Declared Emergency or Disaster**

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When traveling out-of-state on Grant PUD business during a declared emergency or disaster, certain restrictions and requirements may apply. Prior to initiating travel, employees must contact the Safety Department to determine what restrictions and requirements apply in the state or country to which the employee is traveling. It is the employee’s responsibility to abide by and adhere to the applicable state/country restrictions and requirements while traveling on Grant PUD business. Similarly, Washington State may have certain restrictions and requirements for travelers returning from out-of-state during a declared emergency or disaster. It is the employee’s responsibility to understand and follow all Washington State health and safety requirements upon returning from out-of-state business travel.

**18. Not Allowable**

Additional items that will not be reimbursed by Grant PUD include, but are not limited to:

- Personal entertainment expenses, including in-flight movies, headsets, health club facilities, hotel pay-per-view movies, in-theater movies, social activities, and related incidental costs.
- Promotional hosting.
- Valet services, unless there are no other parking options (explanation must be provided).
- Other expenses not directly related to the business travel.

**19. Policy Exceptions**


Exceptions to this policy must have two levels of approval within the employee’s chain of command (e.g., supervisor and manager, manager and senior manager, senior manager and managing director), up to the General Manager. Accounting will maintain an exception log and provide a quarterly report to Executive Management.

Exceptions requested to comply with provisions of the Americans with Disabilities Act require prior approval of HR.

**20. Dispute Resolution**

Employees who have a dispute regarding the application of this policy may request to meet with the Senior Manager of Accounting. The meeting request shall include a summary of the employee’s concern and any related documents. If, following this meeting, the employee wishes to pursue the matter, the employee may request a meeting with the Chief Financial Officer (CFO). The meeting will be scheduled at a mutually convenient time and the CFO shall render their decision in writing as soon as practical.

**21. Non-Compliance**

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Non-compliance with this policy, including recurring instances of mistake or inadvertence resulting in additional expense to Grant PUD, will be treated as a performance issue and may result in appropriate corrective action in accordance with Grant PUD’s Progressive Discipline Policy. Such action may include employee responsibility for the expense, revocation of travel privileges, or any other discipline determined to be appropriate by Grant PUD. For bargaining unit employees, discipline will be carried out consistent with section 2.4.1 of the Collective Bargaining Agreement.

**22. Risks/Risk Owners**

A. This policy, along with other control mechanisms, is intended to mitigate the following risks:

- Authority Risk
- Integrity Risk
- Physical Security Risk
- Health & Safety Risk
- Regulatory Risk
- Reputation Risk

B. Risk Owners:


- Grant PUD supervisors
- Grant PUD employees who travel for Grant PUD business and employees who assist in the administration of travel-related activities.
- Grant PUD employees who manage contractors that are responsible for following this policy.

**23. Related Documents**

Additional documents and resources related to this policy include, but is not limited to:


- Travel Cost Comparison Form
- Local Mileage Chart
- Procurement Card Program
- Vehicle/Asset Usage Policy
- Remote Work Policy
- Progressive Discipline Policy



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## 24. Review/Revision History

Date	Description
1/1/2001	New travel policy established via Resolution 7395
6/4/2007	Revised advance travel section via Resolution 8127
3/5/2012	Revision details unknown
4/11/2022	Revised out of date references throughout, addressed travel expenses associated with Remote Work Sites
8/15/2022	Revised Section 11 to address reimbursement of travel expenses for employees with an Established Headquarters exception.
8/1/2023	Definition and clarity added throughout the entire policy. Added new sections for Exceptions, Dispute Resolution, and Non-Compliance. Removed non-travel meals and Share the Savings.


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**FIN-AC-POL-100  
TRAVEL POLICY**

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### 1. Scope

This policy applies to all Grant PUD employees, including commissioners, conducting business for Grant PUD.

### 2. Policy Statement

It is the policy of Grant PUD to reimburse employees for reasonable and necessary expenses incurred in connection with the performance of Grant PUD business. Personal expenses and any costs related to entertainment are not reimbursable. Employees seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety or the appearance of impropriety. Reimbursement is allowed only when reimbursement has not been, and will not be, received from other sources. If a circumstance arises that is not specifically covered in this travel policy, then the most conservative course of action should be taken.

### 3. Responsibility

As prudent stewards of public funds, it is the employee's responsibility to be familiar with the provisions of this policy and associated procedures, to incur reasonable and necessary expenses only, and to provide a prompt and proper accounting of all expenditures related to the travel. All employees except members of Executive Management and the Board of Commissioners must have all expense reports reviewed and approved by their immediate supervisor, in writing, prior to processing for reimbursement. Members of Executive Management will obtain a peer approval of all Travel Authorizations and expense reports. Travel Authorizations for the Board of Commissioners will be approved by Executive Services and associated expense reports will include peer approval.

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### 4. Travel Authorization


Prior approval from the immediate supervisor is required for all travel to destinations outside Grant PUD's Service Territory/Project. Such travel and approval must be documented via a Travel Authorization (TA). This ensures the travel is authorized, appropriate funds are available, there's a legitimate business purpose for the travel, and the employee is covered by Grant PUD's applicable insurances while traveling (including travel to/from home and to/from ultimate destination).

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Each approved TA will be assigned a unique TA number, which must be written on all associated travel claims. Unless there are legitimate circumstances of an urgent or emergency nature, it is Grant PUD's expectation that a TA is approved prior to any reservations being made. The TA must include:

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- Estimates of all foreseeable expenses

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- Anticipated dates and times of travel
- Dates and times of associated business activities. Attach documentation, where applicable (i.e., conference agenda, copy of registration, etc.).
- Documentation of all exceptions requested.

Airline tickets, car rentals, and hotel reservations should be arranged well in advance. Employees will be reimbursed up to the amount of the travel alternative that is most economical and advantageous to Grant PUD, taking all associated costs into consideration (flying vs driving, bag fees, parking costs, mileage, lodging, etc.). Employees will not be reimbursed for personal prepayments of travel expenses until the travel has occurred.

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### 5. Statement of Expenses

A Statement of Expense (SOE) must be submitted when expenses have been incurred related to the travel. The appropriate SOE template must be used (Day Travel or Overnight) and must include:

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- TA number
- All fully itemized costs associated with the travel including any advance payments such as registration fees and transportation costs, and all costs paid by PCard or Travel Card.
- Dates and times the time travel began and ended. See Section 10 below on claiming per diem.
- Dates and times of meeting, conference, or training.
- The vehicle number of any Grant PUD vehicle used during travel.
- If claiming mileage, include the location for each applicable starting point and destination.
- Itemized receipts to document expenses. The employee will include a description of the expense if not self-explanatory. For non-PCard charges of \$50.00 or less, a receipt is not required, but is preferred (unless otherwise specified in this policy). If a receipt is missing for an expense greater than \$50.00, the employee must complete and attach a Missing Receipt Form.
- If there was personal influence on the travel arrangements (e.g., combined business and personal travel, selected a more expensive travel alternative due to personal preference), the employee will attach a completed Travel Cost Comparison Form to document there's no additional cost to Grant PUD.
- If an employee has charged costs in excess of the reimbursable costs, the SOE will document the repayment to Grant PUD.

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The completed supervisor-approved SOE will be submitted to Accounts Payable no later than 30 days after returning from travel. Reimbursement will be provided as follows:

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- Day travel outside of Grant PUD's service territory/projects (no overnight stay): Any per diem due to the employee is taxable. Any mileage due to the employee is non-taxable.

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- **Overnight travel:** Any reimbursement due to the employee is non-taxable.

Grant PUD will pay the amount of the travel claim that is allowed under the policy and notify the employee of any amount that was disallowed with a detailed explanation. Any balance in excess of allowable expenses will be paid immediately by the employee to Grant PUD.

Employees who have a dispute regarding the application of this policy may request a review in accordance with Section 20, Dispute Resolution.

If a travel advance was obtained, a copy of the approved SOE must go to the Advance Travel Custodian with any balance due to Grant PUD from the advance.

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## 6. Credit Cards

Grant PUD procurement cards (PCards) are available for use by Grant PUD employees for business-related travel expenses in accordance with RCW 42.24.115. For employees who travel infrequently, Grant PUD has generic PCards (Travel Cards) that can be issued for temporary use during travel. The employee will provide a copy of the SOE and all credit card receipts to the PCard administrator and/or Travel Card custodian.

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PCard use must be in accordance with Grant PUD's PCard policies and procedures.

Employees who choose to use a personal credit card for Grant PUD travel expenses will not be reimbursed for business-related travel until travel is complete.

## 7. Travel Advance


Travel advances are available as allowed by RCW 42.24.120 and Grant PUD Resolution No. 4233. Travel advances should not be used in place of a Grant PUD credit card and are not allowed for travel within the United States.

The request for a travel advance is included on the TA form. Requests should be submitted to the Advance Travel Custodian at least 3 working days before the start of travel and will not be released to the employee more than 5 working days prior to the start of travel.

Travel advances should be limited to the per diem calculation plus 20% for unexpected items [(per diem rate) x (# days expected to be at the destination) x 1.2]. If the amount of funds derived from this calculation is determined to be insufficient, the employee's immediate supervisor may authorize an increased travel advance on a case-by-case basis.

Travel advances must be accounted for and any unused funds repaid in accordance with Chapter 42.24 RCW. Submittal of the detailed SOE and repayment of any unused travel advance must be made on or before the 15th calendar day after travel is complete. If the employee's repayment check has insufficient funds or if the employee fails to submit

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repayment, Grant PUD may withhold any funds that become payable to the employee up to the amount of the advance and an interest rate of 10% per annum. Payroll will receive a withholding request from the Advance Travel Custodian on the pay period immediately following the NSF notice or lack of repayment for the amount due plus 10% interest. If an SOE is not submitted, the full value of the advance will be withheld. Upon submission of a properly completed and approved SOE, any difference will be issued through Accounts Payable.

### 8. Air Travel

Grant PUD will pay for coach airfare tickets that include a carry-on bag, one checked bag, and the ability to guarantee seating when purchasing the ticket. Grant PUD will not pay for first-class tickets. In the event a flight segment has a scheduled in-air flying time of more than four hours, preferred/upgraded seats not to exceed \$250.00 in incremental costs roundtrip may be paid by Grant PUD only if approved in advance through the TA process.

In-flight Wi-Fi is allowed for business purposes only on flights of two hours or more. All other amenities and/or upgrades are not allowable business expenses and if selected, shall be the responsibility of the employee to cover any additional cost.

Detailed receipts are required. Acceptable airfare receipts include email confirmation receipts, the employee's copy of the ticket or a paid airline invoice, which must reflect the traveler's name, the dates and destinations of travel, and the total costs paid.


Employees may use the free benefits of a frequent flyer program such as reward miles, vouchers, credits, or other perks for Grant PUD travel (e.g., to upgrade a flight beyond coach airfare) provided the employee purchases the airline ticket in the most prudent and economical manner. The use of such benefits for business travel will not be reimbursed by Grant PUD and shall not impact the employee's choice of airline for booking travel when other equivalent air travel options present lower cost alternatives to Grant PUD. If using frequent flyer program benefits for business travel, the employee will complete a Travel Cost Comparison Form at the time of booking to document the personal influence did not result in additional costs to Grant PUD.

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Travel arrangements should be made as far in advance as possible to take advantage of the most economical rate. Discounts are generally available when tickets are purchased at least 14 days in advance. Every effort should be made to take advantage of excursion fares.

If there are penalties associated with changing reservations, Grant PUD will pay for these provided Grant PUD required the change, the change results in offsetting cost savings, or the change was beyond the control of the employee. Additional expenses and airline change fees incurred as a result of mistake or inadvertence may be approved on an exception basis in

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accordance with Section 19 and attached to the SOE. Penalties or cancellation charges incurred for any other reason will be the responsibility of the employee.

Grant PUD is not responsible for the loss of or damage to luggage or other personal property during travel. If damage or loss occurs, the employee should seek reimbursement through their own insurance or attempt to recover directly from the party responsible, such as an airline.

### 9. Lodging

Grant PUD will pay for lodging when an overnight stay is necessary for Grant PUD business and the temporary work site is located more than 50 miles (most direct route) from the traveler's Established Headquarters or Remote Work Site, whichever is closest. Exceptions to this must be approved in accordance with Section 19 prior to the travel. Examples of reasonable exceptions include:


- To avoid having the employee drive back and forth for back-to-back late night/early morning official Grant PUD business.
- When the health and safety of the employee is of concern.
- When an employee can demonstrate that staying overnight is more economical to Grant PUD (direct financial, work-related costs).

Employees are expected to use good judgment in the selection of lodging and to utilize the single room government, corporate, or block rates in conjunction with seminar/conference attendance, or lesser available rates when possible. For the period associated with the travel assignment, lodging will be reimbursed at actual cost, which shall not to exceed 150% of the Federal Per Diem maximum daily lodging rate (not including taxes) in effect at the time of travel for the location of the travel assignment ("Maximum Allowable Rate"). Detailed receipts for lodging are required to document the payment. Lodging costs that exceed the Maximum Allowable Rate will be paid by the employee. When this occurs, taxes will be prorated between the allowable and unallowable costs. Allowable lodging costs include the lodging rate, applicable taxes and fees, but do not include incidentals, damages, etc.

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On an exception basis in accordance with Section 19, an increase to the Maximum Allowable Rate of up to 200% of the Federal Per Diem maximum daily lodging rate may be approved when circumstances require. Such approval must be in writing prior to travel and must be included in the TA documentation. Examples of reasonable exceptions include:

- When costs in the applicable area have escalated for a brief period due to special events or disasters.
- Affordable lodging is not available at the location of the travel assignment and the savings achieved from occupying less expensive lodging at a more distant site are offset by an increase in transportation or other costs.

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- The employee will attend a meeting, conference, convention, or training session where they are expected to have business interaction with other participants in the addition to scheduled events, and it is anticipated that maximum benefit will be achieved by authorizing the employee to stay at the lodging facility where the meeting, conference, convention, or training session is held.
- When the health and safety of the employee is at risk.

### 10. Meal Reimbursement

#### A. General

Reimbursement for meals for all business travel will be limited to the Federal Per Diem rate, which may be pro-rated, based on the federal per diem meal allowance breakdown, depending on the time of travel. Per diem includes the cost of the meal and the associated taxes and tips. Employees are eligible to receive a meal allowance if the business trip requires them to be in travel status during their normal mealtime (i.e., breakfast, lunch, dinner). To be eligible for the breakfast per diem, an employee must be in travel status at 6:30 am. To be eligible for the lunch per diem, an employee must be in travel status at 12:30 pm. To be eligible for the dinner per diem, an employee must be in travel status at 6:30 pm. Travel status is defined as the official status of an employee when they are away from their Established Headquarters and their Remote Work Site on Grant PUD-related business, exclusive of commuting between their Established Headquarters and their Remote Work Site. Per diem meal allowances are reimbursable even if meals are provided at the meeting, conference, convention, or training.

If the employee travels through multiple locations in a day, the per diem rate for the final destination will be used for applicable meal reimbursement. For overnight travel, the hotel location is used as the final destination for meal reimbursements. For return travel, the per diem rate for the location the employee is departing is used for applicable meal reimbursements. When calculating per diem, local time is used throughout the travel status period without accounting for time zone changes.

Any non-travel meal expense must be in accordance with Grant PUD's Non-Travel Meal and Refreshment Policy.


#### B. Day Travel

For day travel outside of Grant PUD's service territory/projects, (no overnight stay), employees will be paid a taxed per diem for the location of the travel. A day travel SOE is required in accordance with Section 5.

#### C. Overnight Travel

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- Meals/Meeting Refreshments** ¶
- Meal reimbursements are allowed as identified in the following sections. If travel begins/ends 1 ½ hours before/after the start of your normal business hours, you can include meal(s) as appropriate. ¶
- Overnight Travel-Outside of Grant PUD Service Territory/Projects ¶
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For overnight travel outside of Grant PUD's service territory/projects, employees will be paid a non-taxed per diem for the location that the employee is staying overnight.

### 11. Ground Transportation

#### A. General

Grant PUD vehicles may be used when available in accordance with Grant PUD's Vehicle/Asset Usage Policy. Any expenses related to a Grant PUD vehicle should clearly identify the vehicle number and TA number.

Carpooling should be used whenever feasible.

Shuttle, transit, and taxi costs will be reimbursed based on actual cost plus a tip not to exceed 20%, if appropriate. When possible, employees should use the most economical method of travel.

Employees may claim mileage, local transportation, use a Grant PUD vehicle, or use the rental car for nominal travel for meals, but any substantial non-business travel must be paid for by the employee.

#### B. Personal Vehicle Use

Although the use of fleet vehicles is preferred, the use of personal vehicles for Grant PUD business is allowed and will be reimbursed at the current IRS Standard Mileage Rates. The mileage rate covers the cost of operating an average vehicle, including gasoline, maintenance and repairs, insurance, and depreciation.

Employees will not be paid mileage or travel expenses to commute to their Established Headquarters. This does not apply to elected officials (see RCW 54.12.080).


Mileage for workday travel within Grant County, in excess of commuting, will be reimbursed. For example, travel between the employee's Established Headquarters and another Grant PUD work site (EHQ to/from HOB, MLLO to/from EHQ, etc.). See FIN-AC-REF-101, Local Mileage Chart.

When traveling on Grant PUD business under an approved TA, mileage will be paid for the lesser of the distance between the travel destination and the employee's Established Headquarters or the travel destination and the employee's home or Remote Work Site. If travel occurs on a normally scheduled day off, reimbursement will be calculated from the employee's home.

Employees who claim mileage should be aware that their auto insurance company must be the primary insurer. It is the employee's responsibility to ensure their personal auto policies do not exclude business use.

Grant PUD uses internet mileage sites (e.g., mapquest.com) to determine the reasonableness of mileage claimed based on the destinations on the TA. If your mileage

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<b>Effective Date:</b> 8/1/2023	<b>Version:</b> 6 <b>Supersedes:</b> 5	<b>Related Documents:</b> See Section 23
 <h2 style="margin: 0;">DISTRICTWIDE POLICY</h2>		
<b>Approved by:</b> Commission	<b>Regulation:</b> Chapter 42.24 RCW, 5 CFR § 2635 Subpart B, SAO Best Practices for Travel Expenditures (July 2019), Resolution XXXX	
<b>Policy Owner:</b> Senior Manager Accounting	<b>Policy Category:</b> Financial	

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- Deleted:** .120, RCW 42.24.115, RCW 42.24.140, RCW 42.24.150,...
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- Deleted:** AP Supervisor

is substantially different, include a brief explanation on the SOE such as "pass closed, used hwy 2."

Grant PUD will not reimburse out-of-pocket costs for parking tickets, moving violations, or damages and insurance deductibles related to the use of personal vehicles for official Grant PUD business.

### C. Rental Cars

The use of a rental car is permitted when it is in the interest of Grant PUD to do so. Prior approval from the immediate supervisor via the TA is required.

**Moved (insertion) [9]:** The use of a rental car is permitted when it is in the interest of Grant PUD to do so.

Employees must obtain the lowest cost option for the type of vehicle necessary to meet the business need. Up to mid-size vehicles or equivalent are allowed. The cost of parking, gas, and all related costs should be considered and documented when determining the appropriate lowest cost option during the TA process. If a special or upgrade is offered that is less than or equal to the appropriate lowest cost option, or if additional room is required to accommodate multiple employees traveling together, documentation must be included with the SOE, as well as the cost analysis validating the reason for the upgrade.

**Moved (insertion) [10]:** ¶ Actual cost will be reimbursed when the use of a rental car is necessary and economically beneficial to Grant PUD.

Actual cost will be reimbursed when the use of a rental car is necessary and economically beneficial to Grant PUD.

Insurance for the exclusive business use of U.S. & Canadian rentals are covered by Grant PUD's insurance policy and should not be purchased.

**Moved (insertion) [11]:** Personal usage of a rental car before, during, or after Grant PUD business travel must be covered by the employee, including rental cost, insurance coverage, and gasoline. ¶

Personal usage of a rental car before, during, or after Grant PUD business travel must be covered by the employee, including rental cost, insurance coverage, and gasoline.

Excess charges due to not returning rental vehicles with the appropriate fuel level as required by the rental agreement will not be reimbursed.

**Moved (insertion) [12]:** Optional costs such as frequent flyer miles and upgrades are not allowed. If fuel service and other options such as GPS are taken, there should be clear documentation to show they were reasonable and necessary. ¶

Optional costs such as frequent flyer miles and upgrades are not allowed. If fuel service and other options such as GPS are taken, there should be clear documentation to show they were reasonable and necessary.


Receipts for rental cars and gas shall be required to document the expense. Any personal expense shall be clearly identified and reduced from the cost.

**Moved (insertion) [13]:** Receipts for rental cars and gas shall be required to document the expense. Any personal expense shall be clearly identified and reduced from the cost. ¶

Grant PUD will not reimburse out-of-pocket costs for parking tickets or moving violations related to the use of a rental car for official Grant PUD business.

## 12. Other Expenses

Certain miscellaneous expenses incurred while on travel status may be eligible for reimbursement at Grant PUD's discretion if they relate to the conduct of official Grant PUD business and are necessary and reasonable. Examples include mail, shipping, and printing

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fees and office supplies. These expenses are not protected under the \$50.00 receipt rule. Receipts are always required.

Reasonable laundry services will be allowed for employees when domestic travel exceeds 7 days or when a domestic trip is unexpectedly extended; foreign travel per diem includes allowance for laundry expenditures.

### 13. Remote Work Sites

Employees working at a Remote Work Site will not be paid mileage or travel expenses from their Remote Work Site to their Established Headquarters. If the employee is required to report to a job site other than their Established Headquarters, mileage will be paid for the lesser of the distance between the job site and their Established Headquarters or the job site and their Remote Work Site.

In the event an employee's Established Headquarters is their Remote Work Site (see Section 3 of the Remote Work Policy), Grant PUD will pay for travel expenses to and from Grant County (limited to transportation only – mileage, airfare, rental car, etc.) when required for Grant PUD business purposes as well as all applicable travel expenses related to training and conferences calculated from their Remote Work Site as their Established Headquarters rather than Grant County. All travel must be pre-approved by the employee's supervisor in advance of making travel arrangements and documented on a TA.

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### 14. Combining Business and Personal Travel

When personal and business travel are combined, employees must exercise special care not to seek reimbursement for expenses that are personal. The employee must separate the expenses between Grant PUD and personal activities and provide a completed Travel Cost Comparison with their SOE to document personal influence did not result in additional costs to Grant PUD.

If an employee chooses to have a non-employee (e.g., spouse, child) join them on an approved business trip, the additional expense incurred is personal. General guidelines for combining business and personal travel include, but are not limited to:

- PCards shall not be used to pay for any personal expenses.
- Allowable expenses will be limited to the costs directly related to business and for the employee only.
- Any additional lodging days beyond the business dates is considered personal and is not reimbursable.
- The meal per diem is allowed for the business dates only. It is not paid for personal days. The TA and SOE must be clear on what dates the employee would have traveled if they didn't extend for personal travel.

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- Parking expenses at an airport or hotel must be reduced for personal day expenses.
- Taxi and shuttle expenses during personal days are not reimbursable.
- Any Grant PUD business insurance coverage will not apply during the personal portion of the trip.

### 15. International Travel

Employees traveling outside the United States will be covered under an insurance policy provided through Grant PUD which includes commercial general liability, hired auto liability and physical damage, and accidental death/dismemberment. Employees traveling outside of the United States should contact Enterprise Risk Management for more details.

As a benefit associated with ongoing employment with Grant PUD, Grant PUD may reimburse the employee for personal property losses that can be documented. Claims must be documented to the satisfaction of Grant PUD or they will be denied. This amount is taxable to the employee and will be reimbursed in the pay period following approval.

Employees traveling outside of the United States and Canada should request and carry a current international travel assistance identification card, which includes directions for obtaining medical, legal, evacuation, lost document recovery, and interpreter assistance during international travel. Cards are available from Administrative Assistants or a Risk Analyst.

Prior to departure for international travel, it is recommended that employees refer to the U.S. Department of State Current Travel Warnings and Public Announcements at: <http://travel.state.gov/travel>. For Grant PUD travel to countries declared by the State Department as not suited for travel, approval by the General Manager is required.

Insurance for international rentals should only be purchased if required by the laws governing the location where the rental occurs. Foreign auto liability is included in Grant PUD's insurance policy. If international travel will include the rental of a vehicle, the employee shall obtain documentation confirming auto liability coverage from a Risk Analyst or Administrative Assistant.

Reimbursement will be allowed for documentation required for international travel (passport, visa, etc.).

### 16. Emergencies

If an employee is in a situation determined to constitute an emergency, the employee shall contact their immediate supervisor. If an employee is not able to return to Grant PUD because of a work-related injury sustained while traveling on Grant PUD business, the employee must inform their immediate supervisor. The supervisor shall contact Safety, contact Enterprise Risk Management, and submit a Condition Report as soon as possible.

### 17. Travel During a Declared Emergency or Disaster

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Employees may be willing to develop travel plans that are less costly to Grant PUD. With approval, the employee will be reimbursed for actual costs as identified in this procedure in addition to half the savings between a conventional and unconventional trip. For example, an employee who chooses to stay at a private residence would be reimbursed at half the rate of a hotel less any additional costs incurred such as rental car or mileage. ¶ The share the savings amount will be taxable income to the employee and will be no more than the amount approved. ¶ Other Expenses

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**Deleted:** Miscellaneous services (taxi, shuttle, bus, tolls, laundry, parking, etc.) under \$75 do not require a receipt, but one is preferred. ¶


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**Moved (insertion) [15]:** Reimbursement will be allowed for documentation required for international travel (passport, visa, etc.). ¶

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When traveling out-of-state on Grant PUD business during a declared emergency or disaster, certain restrictions and requirements may apply. Prior to initiating travel, employees must contact the Safety Department to determine what restrictions and requirements apply in the state or country to which the employee is traveling. It is the employee's responsibility to abide by and adhere to the applicable state/country restrictions and requirements while traveling on Grant PUD business. Similarly, Washington State may have certain restrictions and requirements for travelers returning from out-of-state during a declared emergency or disaster. It is the employee's responsibility to understand and follow all Washington State health and safety requirements upon returning from out-of-state business travel.

### 18. Not Allowable

Additional items that will not be reimbursed by Grant PUD include, but are not limited to:

- Personal entertainment expenses, including in-flight movies, headsets, health club facilities, hotel pay-per-view movies, in-theater movies, social activities, and related incidental costs.
- Promotional hosting.
- Valet services, unless there are no other parking options (explanation must be provided).
- Other expenses not directly related to the business travel.

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Business class or first-class flights.¶

### 19. Policy Exceptions

Exceptions to this policy must have two levels of approval within the employee's chain of command (e.g., supervisor and manager, manager and senior manager, senior manager and managing director), up to the General Manager. Accounting will maintain an exception log and provide a quarterly report to Executive Management.


Exceptions requested to comply with provisions of the Americans with Disabilities Act require prior approval of HR.

### 20. Dispute Resolution

Employees who have a dispute regarding the application of this policy may request to meet with the Senior Manager of Accounting. The meeting request shall include a summary of the employee's concern and any related documents. If, following this meeting, the employee wishes to pursue the matter, the employee may request a meeting with the Chief Financial Officer (CFO). The meeting will be scheduled at a mutually convenient time and the CFO shall render their decision in writing as soon as practical.

- Deleted: <#>Documentation Requirements¶  
Grant PUD credit card charges - all detailed original receipts from the vendor. Include a description of the expense if not self-explanatory. ¶  
Lodging, air transportation, car rentals, fuel - all original receipts. ¶  
Other - only if the individual expense exceeds \$75 (taxi, shuttle, bus, tolls, parking, etc.). Include a description of the expense if not self-explanatory. ¶  
Names, affiliation, date and time, TA # if for someone else, including the business purpose. ¶  
**Other ¶**  
An SOE is required for all overnight travel. The original with Supervisor approval goes to Accounts Payable to obtain reimbursement or repay Grant PUD with any original receipts to document expenses that were not paid by a Grant PUD credit card. If expenses are included for other employees, their SOE must be attached also. ¶  
TA numbers are required to be written down on the SOE and advance payments of registration fees and transportation costs. ¶  
A copy of the SOE goes with the applicable original credit card receipts with each Pcard reconciliation and/or generic travel card used for the travel. ¶  
If an advance was obtained, a copy of the SOE goes to the Advance Travel Custodian with any balance due to Grant PUD from the advance. ¶

### 21. Non-Compliance

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Non-compliance with this policy, including recurring instances of mistake or inadvertence resulting in additional expense to Grant PUD, will be treated as a performance issue and may result in appropriate corrective action in accordance with Grant PUD's Progressive Discipline Policy. Such action may include employee responsibility for the expense, revocation of travel privileges, or any other discipline determined to be appropriate by Grant PUD. For bargaining unit employees, discipline will be carried out consistent with section 2.4.1 of the Collective Bargaining Agreement.

## 22. Risks/Risk Owners

A. This policy, along with other control mechanisms, is intended to mitigate the following risks:

- |                          |                        |
|--------------------------|------------------------|
| • Authority Risk         | • Health & Safety Risk |
| • Integrity Risk         | • Regulatory Risk      |
| • Physical Security Risk | • Reputation Risk      |

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- Deleted: Grant PUD property damage during travel¶
- Deleted: <#>Fraudulent compensation claims for travel expenses¶


B. Risk Owners:

- Grant PUD supervisors
- Grant PUD employees who travel for Grant PUD business and employees who assist in the administration of travel-related activities.
- Grant PUD employees who manage contractors that are responsible for following this policy.

## 23. Related Documents

Additional documents and resources related to this policy include, but is not limited to:

- [Travel Cost Comparison Form](#)
- [Local Mileage Chart](#)
- [Procurement Card Program](#)
- [Vehicle/Asset Usage Policy](#)
- [Remote Work Policy](#)
- [Progressive Discipline Policy](#)

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### 24. Review/Revision History

Date	Description
1/1/2001	New travel policy established via Resolution 7395
6/4/2007	Revised advance travel section <u>via Resolution 8127</u>
3/5/2012	Revision details unknown
4/11/2022	Revised out of date references throughout, addressed travel expenses associated with Remote Work Sites
8/15/2022	Revised Section 11 to address reimbursement of travel expenses for employees with an Established Headquarters exception.
8/1/2023	<u>Definition and clarity added throughout the entire policy. Added new sections for Exceptions, Dispute Resolution, and Non-Compliance. Removed non-travel meals and Share the Savings.</u>



Office of the  
Washington  
State Auditor  
Pat McCarthy

# Best practices for travel expenditures

Many government employees need to travel to receive training or carry out other essential government functions. Travel costs, regardless of how significant they are to a government's budget, can invite criticism from the public.

A government's internal controls over travel expenditures should provide assurance that travel costs are reasonable and justified, because travel reimbursements can be subject to misuse.

The following are some best practices to consider:







**1) Regularly review and update your policy to ensure it provides clear guidance.** Governments may desire flexibility in their travel policy. Rather than writing a vague policy, however, governments should provide clear, prescriptive guidance and allow for pre-approved exceptions. For further assistance, use the [MRSC travel policy guidance](#), which provides various considerations for policy development.

**2) Encourage economical travel.** Economical travel might mean requiring coach class for airplane tickets or compact vehicles for car rentals. Employees should document and retain their research to show the most economical option was selected. [See Appendix A](#) for additional economical travel considerations.

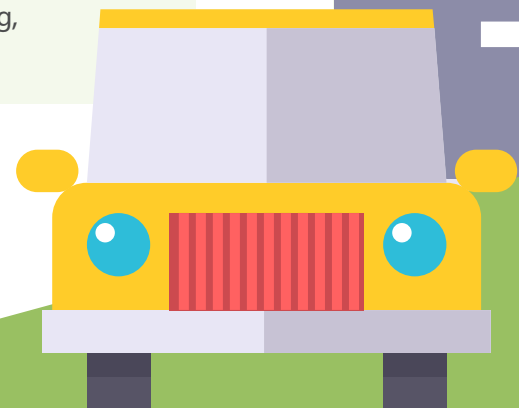
**3) Use per diems for lodging and meals.**<sup>1</sup> For hotels, per diem can be an effective cost control, because many lodging establishments will honor government per diem rates if employees ask for them, especially if they plan in advance. For meals, this eliminates several issues such as:


- Lost receipts and difficulty obtaining itemized receipts from employees
- Recordkeeping burden in collecting, verifying and retaining receipts
- Risk of excessive tipping or alcoholic beverage purchases
- Potential for unreasonable meal costs

**4) Create separate guidelines for non-travel meals.** These might be working lunches or meals with meetings. Non-travel meals will need to be separately authorized in policy to be allowable. Per diem rates should be used to guide reasonableness. In addition, the documentation should include the business purpose and attendees. In establishing a policy, governments might consider the guidance in [Washington state Attorney General Opinion: Eating and Drinking at Public Expense](#).

**5) Provide training on policy requirements.** Employees and their approving supervisors need to be familiar with the policy requirements. Training might involve periodic annual policy reviews, in-person training, or online training for new and existing employees.

<sup>1</sup> The U.S. General Services Administration (GSA) per diem rates (pre-established daily allowances given by a government to cover an employee's living expenses when traveling) are widely used. The rates are commonly referred to as CONUS and are found at [www.gsa.gov](http://www.gsa.gov).





**6) Consider centralized control or oversight options.** This could take many forms. Some examples governments have used include:

- A centralized person very familiar with the travel policy and economical travel options who can provide thoughtful input and direction on the travel plans and estimated costs (and question potential costs before they are incurred)
- A designated or centralized reviewer very familiar with the travel policy and economical travel options who evaluates the claim for reimbursement at a detailed level, often in addition to the employee's supervisor
- Centralized procurement for airline travel <sup>2</sup>
- A centralized program to track travel, such as a software module or other tracking mechanism

**7) Establish a process for addressing non-compliance.** The policy should describe what constitutes non-compliance and how such matters should be communicated, as well as any specific consequences. There should be a process for notifying the employee, their manager, and other officials for more than trivial non-compliance. Claims for reimbursements that lack adequate support or documentation should be rejected for payment until the concerns are resolved. Employees who do not clear travel advances within policy provisions should not be allowed additional advances.

**8) Make sure approvers have dedicated time for review.** A reviewer who is too busy with other tasks might perform a high-level or cursory review and fail to identify concerns.

**9) Pre-approve travel, including a cost estimate.** A pre-approval process helps ensure there is a justifiable business purpose before travel takes place, the benefits outweigh the costs, economical options were considered, and the anticipated expenses appear reasonable. Concerns can then be addressed before costs are incurred.

**10) Pre-approve policy exceptions.** Employees should request any policy exceptions and obtain written approval before booking and/or incurring costs. Otherwise, it constitutes after-the-fact approval of a policy violation.

<sup>2</sup>This can prevent fraud schemes involving airline ticket reimbursements as well as help with cost control.

**11) Minimize travel advances outstanding.** Issuing and tracking travel advances create an administrative burden. To reduce travel advances, consider options such as charging airfare or lodging on a credit card, use of a travel agent, or use of a central purchasing function (such as for airfare). The government should establish a minimum dollar amount and a deadline for requesting an advance, and limit requests too far in advance of planned travel.

**12) Keep track of travel advances.**<sup>3</sup> A person or department should track and account for all travel advances. Travel advances that are not accounted for within policy provisions can have IRS implications; for example, they might be reportable as wages if they are not accounted for within 120 days of receiving the advance.<sup>4</sup> Travel advances that are not accounted for within a reasonable time should be deducted from the employee's pay.

**13) Resolve travel advances with employees leaving the agency, before they separate.** This is to ensure that any travel advances outstanding are either cleared or deducted from the employee's final paycheck. If the government's human resource department maintains a checklist to follow for separating employees, consideration of travel advances should be included.

**14) Require timely submission of receipts.**<sup>5</sup> Some governments require receipts to be submitted as soon as five days after a trip is completed. If a credit card is used, receipts must be submitted no later than 30 days for local governments. If the employee has a travel advance, state law requires this to be cleared on or before the 15th day following the close of the authorized travel period for which the expenses have been advanced.

<sup>3</sup> Under state law (RCW 42.24.140), an employee or official can have only one advance outstanding at a time, 10 percent interest is applied to any delinquent advances, and the government may withhold funds payable to any officer or employee for delinquent travel advances.

<sup>4</sup> [IRS publication 463](#) provides guidance on travel, gift, and car expenses (see section on accountable plans).

<sup>5</sup> The Budgeting, Accounting and Reporting System (BARS) Manual, section 3.8.2, requires local governments to complete settlement within 30 days if a credit card is used; for state agencies, the limit is 60 days. The IRS requires settlement within 60 days or the amounts are taxable as income to the employee. For local government travel advances, see RCW 42.24.150, for state agencies the requirement is within the 10<sup>th</sup> day following the close of the travel period (see 10.80.60 State Administrative & Accounting Manual (SAAM)).

**15) Use standardized forms, including a comprehensive travel reimbursement form that discloses ALL expenses.** The reviewer should consider travel charged on the credit/procurement card in conjunction with travel included on a claim for reimbursement. It should also be known if the employee used a motor pool vehicle and had access to a fuel card. The goal is to detect duplicative or unallowable expenses during the review process.

**16) Document shared costs in claims for reimbursement.** The employee should identify on the travel form whether they carpooled or shared a motor pool vehicle so reviewers can assess if travel costs were economical and policy terms were followed, and to verify certain information – such as only the driver claimed for mileage reimbursement.

**17) Document reasons when actual costs exceed the pre-approved travel estimate.** This holds employees accountable and ensures documentation is retained and evaluated to support the increased costs. It also provides support should the claim be questioned after-the-fact.

**18) Review event agendas or travel itineraries with travel claims.** These contain information about meals included in the conference, as well as when events officially start and end. This helps reviewers determine if meals claimed are appropriate. These also help a reviewer determine whether there are any costs pertaining to extra days of travel.

**19) Require proof of travel with travel claims.** This might be the boarding pass for the airline, hotel receipts to show the employee checked in, or training credit or certificates of completion.

**20) Require approval by the direct supervisor.** A claim for reimbursement should not be approved by the employee submitting the claim, peers, or subordinates. This should apply to the higher levels of management as well. The internal control structure should designate a review process for the highest-level manager or executive as well as for board members.

**21) Enforce your policy.** Policy is established by the governing body with the expectation that management will follow and enforce it. Allowing non-compliance to occur sets a precedent that can have undesirable consequences and can lead to larger problems.

## Related resources

Municipal Research and Services Center:  
[Travel and expense reimbursement policies](#)

Washington State Auditor's Office:  
[Best practices for various credit card programs](#)

Washington State Auditor's Office Budgeting, Accounting and Reporting System (BARS) Manual, Employee Travel: [GAAP](#) or [Cash basis](#)

Applicable Washington state laws for local government:  
[RCW 42.24.090](#), [RCW 42.24](#) (.120-.150 covers travel advances);  
[RCW 42.24.115](#) (charge cards and travel expenses)

Washington State Office of the Attorney General:  
[Memorandum: Eating and Drinking at Public Expense](#)

## For assistance

This resource has been developed by the Center for Government Innovation of the Office of the Washington State Auditor. Please send any questions, comments or suggestions to [Center@sao.wa.gov](mailto:Center@sao.wa.gov).

## Disclaimer

This guidance is intended to supplement information that management should consider when establishing internal controls over employee travel. The guidance might not include all information that should be considered and is not intended to supersede management's judgment in establishing internal controls. Management is ultimately responsible for internal controls, including regularly monitoring risks and ensuring internal controls are in place to address potential areas of concern.

## Appendix A: Economical Travel Considerations

Type of Cost	Cost Considerations
Airline	<ul style="list-style-type: none"><li>• Is flying coach class required (as compared to business class)?</li><li>• Were the travel arrangements for airfare made well in advance whenever possible?</li><li>• Are there expectations about how airfare is purchased (requirements to select the lowest price ticket regardless of personal rewards programs or airline preferences; to go through a certain process to purchase tickets such as central purchasing or a travel agent; and to consider the cost of tickets through the State of Washington procurement contract for airline purchases<sup>6</sup>)?</li><li>• Are extra travel charges addressed such as excess baggage charges, airline seat exchange fees, priority boarding fees, upgraded airline seating, and internet usage in-flight?</li><li>• Is the employee flying into the airport nearest their destination? If not, why and can they demonstrate the lowest cost option was taken considering all travel costs?</li><li>• Did the employee check airfare prices to determine whether personal days added to the trip resulted in higher airfare costs?</li></ul>
Vehicle rental	<ul style="list-style-type: none"><li>• Is a vehicle rental truly justified? Is the employee staying at the conference venue or have a need to drive very few miles? Are there other options such as a hotel shuttle?</li><li>• Are other forms of transportation available that might be less expensive (public transportation, Uber/Lyft, motor pool, etc.)?</li><li>• Is the vehicle rental the lowest cost option or have there been upgrades?</li><li>• Is the vehicle rented for only the period of time that is necessary for work related travel?</li></ul>

<sup>6</sup>This state contract allows local governments to participate as of July 1, 2019. For more information, contact Department of Enterprise Services, Diane White, (360) 407-9366 or view the DES website at [apps.des.wa.gov/DESContracts/Home/ContractSummary/00919](https://apps.des.wa.gov/DESContracts/Home/ContractSummary/00919).



Type of Cost	Cost Considerations
--------------	---------------------

Mileage

- Is it less expensive to fly or drive to the destination? Is there overtime that should be factored into the calculation to determine the lowest-cost alternative? (a simple worksheet provides clear documentation)
- Is carpooling used when it makes sense?
- Is there an alternative to driving a personal vehicle, such as use of a motor pool vehicle or public transportation? Does the entity have a preference?

Lodging

- Is per diem used and reasonable upper limits when per diem is exceeded?
- Is staying at the conference hotel justified, given the cost, particularly when it significantly exceeds per diem?
- Are there extra nights charged that are not consistent with the traveler's commitments (i.e., start and end of a conference)?
- Is lodging charged when the destination is within a reasonable driving distance of home?
- Does the government want to encourage room sharing, if appropriate?
- Did the government incur any extra costs such as for a travelling companion or spouse?

Meals

- Is per diem used?
- Are meals paid only when an employee is in travel status (i.e., during the meal period)? What is the definition of travel status – within how many miles of an employee's duty station? How are meals handled for partial days of travel?
- Are per diems prohibited when meals were provided as part of the conference or event?

Motion was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 1 to Contract 430-08476 with Moss Adams LLP, increasing the not-to-exceed contract amount by \$726,000.00 for a new contract total of \$1,926,000.00, revising the rate schedule, extending the contract completion date to July 1, 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. 1.

XXXX



## MEMORANDUM

May 25, 2023

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

**VIA:** Bonnie Overfield, Chief Financial Officer

**FROM:** Jennifer Sager, Senior Manager Accounting *JS*

**SUBJECT:** Contract 430-08476, Change Order No.1

**Purpose:** To request Commission approval of Change Order No. 1 to Contract 430-08476 extending the term three years, covering fiscal years 2023-2025 and update rates in Appendix A.

**Discussion:**

In September 2018, Moss Adams was awarded the contract for financial auditing services through the District's RFP process. The contract was executed in 2018 to cover fiscal years 2018 to 2022. At this time the District was able to capture 20% + reduction in annual fees over the previous vendor. In addition, Moss Adams included items such as our bond issuance, new implementation of new financial requirements and regulatory needs in the quoted annual fees eliminating additional change order costs for the District's routine basic requests.

Moss Adams is a nationally recognized firm in the area of public power with staff locally in Washington. The firm is experienced in municipal and electric utilities providing the District with quality financial audit services over the last 5 fiscal years. Due to the pandemic, 3 of the 5 audits were conducted under remote conditions. While this created some challenges and adjustments to the audit approach, the audits were completed in a timely professional manner with no additional costs or adverse consequences. The current contract for these services expires 7/1/2023.

**Justification:**

This audit engagement is significant in nature requiring a high degree of coordination between staff, management and the audit firm. While we were able to complete the all the work remotely, we were not able to capture the benefits that in-person, on site work provides. By extending this contract three years to cover annual Financial Audits for years 2023-2025, we will be able to capture these benefits and avoid the expense and disruption of onboarding a new firm. The District is required to have an external, independent, qualified auditing firm perform our annual financial audit. Moss Adams is experienced in the municipal and electric utility industry, remains independent and has performed well under the current contract. To continue this work under the current contact, a change order needs to be executed prior to expiration. The approval of the change order will avoid organizational disruption and added costs related to the RFP process and onboarding of a new firm to perform these services.

**Financial Considerations:**

The recommendation is to extend the contract term by three years in lieu of a single year extension with open contract balance. This will allow us to maintain business continuity and provide reasonable time to complete a market analysis for the fiscal years beyond 2025. The change order includes a set fee schedule for annual audit and estimated reimbursable expenses. The total cost of the three year

extension is \$726,000. Annual fees include an average increase of ~5.5% per year over the 2022 fees. In addition, the table of hourly rates will be updated to reflect current rates. Hourly rates are used for additional work requested by the District and executed through a Task Authorization. These rates had not been updated or escalated since the original contract execution. All increases are reasonable and align with current inflation rates. Being an annual requirement, fees related this contract will be included in Accounting's annual budget each year.

**Change Order History:**

No previous change orders have been requested.

**Legal Review:** See attached email.

**Recommendation:** Commission approval of Change Order No. 1 to Contract 430-08476 extending the term three years, covering fiscal years 2023-2025 and update rates in Appendix A.

**From:** [Bonnie Overfield](#)  
**To:** [Jennifer Sager](#)  
**Cc:** [Rebecca Diaz](#)  
**Subject:** Re: Moss Adams C\_430-08476 Change Order.pdf  
**Date:** Tuesday, May 30, 2023 8:59:40 AM

---

Jennifer, I am unable to sign today due to traveling /access. I approve, I hope this email is sufficient to move forward since time sensitive.

Bonnie Overfield  
Grant PUD  
Chief Financial Officer

---

**From:** Jennifer Sager <[Jsager@gcpud.org](mailto:Jsager@gcpud.org)>  
**Sent:** Tuesday, May 30, 2023 8:39:20 AM  
**To:** Bonnie Overfield <[Boverfi@gcpud.org](mailto:Boverfi@gcpud.org)>  
**Cc:** Rebecca Diaz <[rdiaz@gcpud.org](mailto:rdiaz@gcpud.org)>  
**Subject:** FW: Moss Adams C\_430-08476 Change Order.pdf

Bonnie,  
The attached memo needs your approval to move forward with our Moss change order. Please review the attached memo and respond. Let me know if you have any questions.

Jennifer

---

**From:** Rebecca Diaz <[rdiaz@gcpud.org](mailto:rdiaz@gcpud.org)>  
**Sent:** Tuesday, May 30, 2023 8:32 AM  
**To:** Jennifer Sager <[Jsager@gcpud.org](mailto:Jsager@gcpud.org)>  
**Subject:** RE: Moss Adams C\_430-08476 Change Order.pdf

Thanks Jennifer! Do you have Bonnie's initials or email approval?

---

**From:** Jennifer Sager <[Jsager@gcpud.org](mailto:Jsager@gcpud.org)>  
**Sent:** Tuesday, May 30, 2023 7:48 AM  
**To:** Rebecca Diaz <[rdiaz@gcpud.org](mailto:rdiaz@gcpud.org)>  
**Subject:** Moss Adams C\_430-08476 Change Order.pdf

Rebecca,  
Attached is the memo, please let me know what my next steps are. I appreciate you help on this and pushing this along.

Jennifer

**CHANGE ORDER  
NO. 1**

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

**A. Description of Change:**

**1. Appendix A Rate Schedule**

**a. Replace tabled titled Financial Statement Audit with the following:**

<b>Financial Statement Audit</b>	
<b>Year</b>	<b>Annual Amount</b>
2018	\$198,000.00
2019	\$200,000.00
2020	\$205,000.00
2021	\$210,000.00
2022	\$216,000.00
2023	\$230,000.00
2024	\$242,000.00
2025	\$254,000.00

**b. Replace the rate table with the following:**

<b>Title</b>	<b>Hourly Rate</b>
Partner	\$400.00
Senior Manager	\$300.00
Manager	\$250.00
Senior	\$200.00
Staff	\$175.00

**c. Add the following years to the Reimbursable Expenses:**

Year 2023: \$12,000.00  
Year 2024: \$13,000.00  
Year 2025: \$14,000.00

**B. Time of Completion: The revised completion date shall be July 1, 2026.**

**C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$726,000.00 plus applicable sales tax. This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$1,926,000.00, including changes incorporated by this Change Order. .**

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

Public Utility District No. 2  
of Grant County, Washington

Moss Adams LLP

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

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

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

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

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

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

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

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



Change Order Table

**Contract Title:** Financial Auditors

Contract No.	430-08476	Award Date:	6/26/0218
Project Manager:	Jennifer Sager	Original Contract Amount:	\$1,200,000.00
District Representative (If Different):		Original Contract completion:	7/1/2023
Contractor:	Moss Adams		

CO#	Change Description	Approved by	Executed Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Extend Contract, Increase Contract Price, and Update Appendix A	Comm		07/01/26	\$726,000.00	\$1,926,000.00	\$726,000.00
Total Change Order Cost Change Amount					726,000.00		

# For Commission Review – 06/27/2023

RESOLUTION NO. XXXX

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 130-11694HR, FOR WEST CANAL SUBSTATION LABOR - REBID

Recitals

1. Bids were publicly opened on May 17, 2023 for Contract 130-11694HR, for West Canal Substation Labor - Rebid;
2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD's staff;
  - Potelco, Inc. \$5,698,480.00
  - Palouse Power, LLC \$5,793,370.17
  - Michels Pacific Energy \$6,733,594.89
3. The low bid, submitted by Potelco, Inc. is both commercially and technically compliant with Grant PUD's contract requirements;
4. The bid is less than the Engineer's Estimate of \$6,844,374.50; and
5. Grant PUD's Senior Manager of Power Delivery Engineering and Managing Director of Power Delivery concur with staff and recommend award to Potelco, Inc. 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 130-11694HR, for West Canal Substation Labor – Rebid with Potelco, Inc. of Sumner, WA in the amount of \$5,698,480.00 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 11<sup>th</sup> day of July, 2023.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

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

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

**MEMORANDUM**

**June 13, 2023**

**TO:** Richard Wallen, General Manager

**VIA:** Jeff Grizzel, Chief Operating Officer  
Julie Pyper, Chief Administration Officer  
Ron Alexander, Managing Director of Power Delivery  
Jesus Lopez, Senior Manager of Power Delivery Engineering  
Chris Heimbigner, Senior Manager Power Delivery  
Allen Chatriand, Manager EPMO Power Delivery

**FROM:** Matt Moots, Project Manager

**SUBJECT:** Award of Contract 130-11694HR, West Canal Substation Labor Contract - Rebid

**Purpose:** To request Commission approval to award Contract 130-11694HR to Potelco, Inc. This contract is a labor contract to build the new West Canal substation in the amount of \$5,698,480.00.

**Discussion:** West Canal customer has requested the ability to connect 40 MVA of electric load to Grant PUD's Electric System for the purpose of operating a Data Center. The West Canal substation will feature two 41MVA transformers that will provide 10 20MVA capacity 3-phase feeds each for serving a total of 40MVA of Load and 40 MVA redundant electrical service.

The District solicited bids from prequalified high voltage electrical bidders via the ProcureWare site. The District opened bids on May 17th, 2023, at 2:00 PM. The following three contractors submitted bids:

Potelco, Inc.	\$5,698,480.00
Palouse Power, LLC	\$5,793,370.17
Michels Pacific Energy	\$6,733,594.89

The Engineer's Estimate is \$6,844,374.50

Staff evaluated bids using several criteria including the Total Bid Price, completion schedule, and Bidder's Data. Potelco, Inc. is the low compliant bidder.

**Justification:** This Contract supports new construction for the new West Canal Substation for West Canal customer. Grant County PUD will provide two 20 MVA 3-phase feeds from two circuit breakers ("Feeders") with a combined capacity of 40 MVA at a nominal voltage of 13.2 kV. The new 41MVA lineup will provide the additional capacity and will allow the Customer to expand its existing operations meeting contractual obligations that the Customer has made with their clients. The funding of this project comes in the form of cost contributions paid by the Customer. Without the award of this contract, the District will not meet its commitment to providing service to the West Canal client.



**Financial Consideration:** District staff concluded the Contract Price is fair and reasonable based upon the scope of work and a bid price. The cost contributions paid by the customer to date for this service is \$14,449,587.

The Initiative ID is IN347. Costs will be charged to project ID 103663. The Cost Center for the project is EC4100.

**Recommendations:** Commission approval to award labor Contract 130-11694HR to Potelco, Inc to construct the West Canal Substation, for a not to exceed Contract Price of \$5,698,480.00.

**Legal Review:** See the attached email.

## Nicona Butler

---

**From:** Ron Alexander  
**Sent:** Tuesday, June 13, 2023 2:14 PM  
**To:** Nicona Butler; Jesus Lopez; Chris Heimbigner; Allen Chatriand  
**Subject:** RE: Approval of Contract 130-11694HR - West Canal Substation Labor Contract - Rebid

I approve. Thank you Nicona.

---

**From:** Nicona Butler <[Nbutler@gcpud.org](mailto:Nbutler@gcpud.org)>  
**Sent:** Tuesday, June 13, 2023 9:18 AM  
**To:** Ron Alexander <[ralexander@gcpud.org](mailto:ralexander@gcpud.org)>; Jesus Lopez <[Jlopez@gcpud.org](mailto:Jlopez@gcpud.org)>; Chris Heimbigner <[Cheimbigner@gcpud.org](mailto:Cheimbigner@gcpud.org)>; Allen Chatriand <[achatriand@gcpud.org](mailto:achatriand@gcpud.org)>  
**Subject:** Approval of Contract 130-11694HR - West Canal Substation Labor Contract - Rebid

Good Morning!

I am needing responses from each of you approving this Contract to be submitted to the Commission Packet for review.

Please respond to this email string with your approval.

Thank you!

**Nicona Butler, CPPB**

*Procurement Officer*

OFFICE 509.754.6749

EXT. 3232

EMAIL [nbutler@gcpud.org](mailto:nbutler@gcpud.org)



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

## Nicona Butler

---

**From:** Jesus Lopez  
**Sent:** Tuesday, June 13, 2023 9:42 AM  
**To:** Nicona Butler; Ron Alexander; Chris Heimbigner; Allen Chatriand  
**Subject:** RE: Approval of Contract 130-11694HR - West Canal Substation Labor Contract - Rebid

Hello,

I approve.

Thank you,  
Jesus

---

**From:** Nicona Butler <[Nbutler@gcpud.org](mailto:Nbutler@gcpud.org)>  
**Sent:** Tuesday, June 13, 2023 9:18 AM  
**To:** Ron Alexander <[ralexander@gcpud.org](mailto:ralexander@gcpud.org)>; Jesus Lopez <[jlopez@gcpud.org](mailto:jlopez@gcpud.org)>; Chris Heimbigner <[Cheimbigner@gcpud.org](mailto:Cheimbigner@gcpud.org)>; Allen Chatriand <[achatriand@gcpud.org](mailto:achatriand@gcpud.org)>  
**Subject:** Approval of Contract 130-11694HR - West Canal Substation Labor Contract - Rebid

Good Morning!

I am needing responses from each of you approving this Contract to be submitted to the Commission Packet for review.

Please respond to this email string with your approval.

Thank you!

**Nicona Butler, CPPB**

*Procurement Officer*

OFFICE 509.754.6749  
EXT. 3232  
EMAIL [nbutler@gcpud.org](mailto:nbutler@gcpud.org)



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

**From:** [Allen Chatriand](#)  
**To:** [Nicona Butler](#); [Ron Alexander](#); [Jesus Lopez](#); [Chris Heimbigner](#)  
**Subject:** RE: Approval of Contract 130-11694HR - West Canal Substation Labor Contract - Rebid  
**Date:** Tuesday, June 13, 2023 9:50:49 AM  
**Attachments:** [image001.jpg](#)

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Yes, I approve.

---

**From:** Nicona Butler <[Nbutler@gcpud.org](mailto:Nbutler@gcpud.org)>  
**Sent:** Tuesday, June 13, 2023 9:18 AM  
**To:** Ron Alexander <[ralexander@gcpud.org](mailto:ralexander@gcpud.org)>; Jesus Lopez <[Jlopez@gcpud.org](mailto:Jlopez@gcpud.org)>; Chris Heimbigner <[Cheimbigner@gcpud.org](mailto:Cheimbigner@gcpud.org)>; Allen Chatriand <[achatriand@gcpud.org](mailto:achatriand@gcpud.org)>  
**Subject:** Approval of Contract 130-11694HR - West Canal Substation Labor Contract - Rebid

Good Morning!

I am needing responses from each of you approving this Contract to be submitted to the Commission Packet for review.

Please respond to this email string with your approval.

Thank you!

**Nicona Butler, CPPB**

*Procurement Officer*

**OFFICE** 509.754.6749

**EXT.** 3232

**EMAIL** [nbutler@gcpud.org](mailto:nbutler@gcpud.org)



**grantpud.org**

**From:** [Chris Heimbigner](#)  
**To:** [Nicona Butler](#); [Ron Alexander](#); [Jesus Lopez](#); [Allen Chatriand](#)  
**Subject:** RE: Approval of Contract 130-11694HR - West Canal Substation Labor Contract - Rebid  
**Date:** Tuesday, June 13, 2023 9:21:27 AM  
**Attachments:** [image001.jpg](#)

---

I approve.

Chris

---

**From:** Nicona Butler <[Nbutler@gcpud.org](mailto:Nbutler@gcpud.org)>  
**Sent:** Tuesday, June 13, 2023 9:18 AM  
**To:** Ron Alexander <[ralexander@gcpud.org](mailto:ralexander@gcpud.org)>; Jesus Lopez <[jlopez@gcpud.org](mailto:jlopez@gcpud.org)>; Chris Heimbigner <[Cheimbigner@gcpud.org](mailto:Cheimbigner@gcpud.org)>; Allen Chatriand <[achatriand@gcpud.org](mailto:achatriand@gcpud.org)>  
**Subject:** Approval of Contract 130-11694HR - West Canal Substation Labor Contract - Rebid

Good Morning!

I am needing responses from each of you approving this Contract to be submitted to the Commission Packet for review.

Please respond to this email string with your approval.

Thank you!

**Nicona Butler, CPPB**

*Procurement Officer*

**OFFICE** 509.754.6749

**EXT.** 3232

**EMAIL** [nbutler@gcpud.org](mailto:nbutler@gcpud.org)



**grantpud.org**

# For Commission Review – 06/27/2023

## RESOLUTION NO. XXXX

A RESOLUTION ACCEPTING A BID AND AWARDING CONTRACT 130-11695H, FOR QUINCY  
FOOTHILLS SUBSTATION LABOR

### Recitals

1. Bids were publicly opened on May 31, 2023 for Contract 130-11695H, for Quincy Foothills Substation Labor;
2. Bid proposals were received from the following suppliers/contractors and evaluated by Grant PUD's staff;
  - Potelco, Inc. \$7,068,900.00
  - Palouse Energy \$7,635,918.43
3. The low bid, submitted by Potelco, Inc. is both commercially and technically compliant with Grant PUD's contract requirements;
4. The bid is less than the Engineer's Estimate of \$11,658,824.11; and
5. Grant PUD's Senior Manager of Power Delivery Engineering and Managing Director of Power Delivery concur with staff and recommend award to Potelco, Inc. 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 130-11695H, for Quincy Foothills Substation Labor with Potelco, Inc. of Sumner, WA in the amount of \$7,068,900.00 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 11<sup>th</sup> day of July, 2023.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

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

\_\_\_\_\_  
Commissioner

\_\_\_\_\_  
Commissioner

**MEMORANDUM**

**June 13, 2023**

**TO:** Richard Wallen, General Manager

**VIA:** Jeff Grizzel, Chief Operating Officer  
Julie Pyper, Chief Administrative Officer  
Ron Alexander, Managing Director of Power Delivery  
Chris Heimbigner, Senior Manager Power Delivery  
Aaron Kuntz, Senior Manager of the EPMO  
Allen Chatriand, Manager EPMO Power Delivery

**FROM:** Matt Moots, Project Manager

**SUBJECT:** Award of Contract 130-11695H, Quincy Foothills Substation Labor Contract

**Purpose:** To request Commission approval to award Contract 130-11695H to Potelco, Inc. This contract is a labor contract to build the new Quincy Foothills substation in the amount of \$7,068,900.00.

**Discussion:** Quincy Foothills customer has requested the ability to connect 60 MVA of electric load to Grant PUD's Electric System for the purpose of operating a Data Center. The planned construction will build a substation providing four 3-phase circuits from four separate circuit breakers at a nominal voltage of 13.2 kV with a combined capacity of 60 MVA where two feeders are intended to provide the primary circuits and two feeders are intended as redundant distribution facilities. The design intends to have approximately 60 MVA of load connected to the substation with 20 MVA left for future use.

The District solicited bids from prequalified high voltage electrical bidders via the ProcureWare site. The District opened bids on May 31, 2023, at 2:00 PM. The following two contractors submitted bids:

Potelco, Inc.	\$7,068,900.00
Palouse Energy	\$7,635,918.43

The Engineer's Estimate is \$11,658,824.11

Staff evaluated bids using several criteria including the Total Bid Price, completion schedule, and Bidder's Data. Potelco, Inc. is the low compliant bidder.

**Justification:** This Contract supports new construction for the new Quincy Foothills Substation for Quincy Foothills customer. Grant County PUD will provide four 3-phase circuits from four separate circuit breakers at a nominal voltage of 13.2 kV. The design intends to have approximately 80 MVA of load connected to the substation with 60 MVA being provided from one transformer and 20 MVA from another one. The new lineup will provide the additional capacity requested by Quincy Foothills' customer. This will allow Quincy Foothills customer to expand its existing operations, meeting contractual obligations the customer has made with clients. The funding of this project comes in the form of cost contributions paid by the customer.

**From:** [Chris Heimbigner](#)  
**To:** [Nicona Butler](#); [Ron Alexander](#); [Jesus Lopez](#); [Allen Chatriand](#)  
**Subject:** RE: Contract 130-11695H - Quincy Foothills Substation Labor Contract  
**Date:** Thursday, June 15, 2023 7:47:46 AM

---

I approve.

Chris

---

**From:** Nicona Butler <[Nbutler@gcpud.org](mailto:Nbutler@gcpud.org)>  
**Sent:** Thursday, June 15, 2023 7:47 AM  
**To:** Ron Alexander <[ralexander@gcpud.org](mailto:ralexander@gcpud.org)>; Jesus Lopez <[Jlopez@gcpud.org](mailto:Jlopez@gcpud.org)>; Chris Heimbigner <[Cheimbigner@gcpud.org](mailto:Cheimbigner@gcpud.org)>; Allen Chatriand <[achatriand@gcpud.org](mailto:achatriand@gcpud.org)>  
**Subject:** FW: Contract 130-11695H - Quincy Foothills Substation Labor Contract

Good Morning,

I am trying to get this Contract submitted to the packet this morning. Please respond to this email string with your approval for submission.

Thank you!!!!

### **Nicona Butler, CPPB**

*Procurement Officer*

OFFICE 509.754.6749

EXT. 3232

EMAIL [nbutler@gcpud.org](mailto:nbutler@gcpud.org)



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

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**From:** Nicona Butler  
**Sent:** Wednesday, June 14, 2023 11:14 AM  
**To:** Ron Alexander <[ralexander@gcpud.org](mailto:ralexander@gcpud.org)>; Jesus Lopez <[Jlopez@gcpud.org](mailto:Jlopez@gcpud.org)>; Chris Johnson <[Cjohnson@gcpud.org](mailto:Cjohnson@gcpud.org)>; Allen Chatriand <[achatriand@gcpud.org](mailto:achatriand@gcpud.org)>  
**Subject:** Contract 130-11695H - Quincy Foothills Substation Labor Contract

Good Morning!



I am needing responses from each of you approving this Contract to be submitted to the Commission Packet for review. For the materials to be reviewed, the link to the Commission items are here → [C365Web \(contracts365.com\)](https://contracts365.com)

Please respond to this email string with your approval.

Thank you!

**Nicona Butler, CPPB**

*Procurement Officer*

OFFICE 509.754.6749

EXT. 3232

EMAIL [nbutler@gcpud.org](mailto:nbutler@gcpud.org)



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

Without the award of this contract, the District will not meet its commitment to providing service to the Quincy Foothills client.

**Financial Consideration:** District staff concluded the Contract Price is fair and reasonable based upon the scope of work and a bid price. The cost contributions paid by the customer to date for this service is \$15,429,400.00.

The Initiative ID is IN361. Costs will be charged to project ID 103669. The Cost Center for the project is EC4100.

**Recommendations:** Commission approval to award labor Contract 130-11695H to Potelco, Inc to construct the Quincy Foothills Substation, for a not to exceed Contract Price of 7,068,900.00.

**Legal Review:** See the attached email.

**From:** [Allen Chatriand](#)  
**To:** [Nicona Butler](#); [Ron Alexander](#); [Jesus Lopez](#); [Chris Heimbigner](#)  
**Subject:** RE: Contract 130-11695H - Quincy Foothills Substation Labor Contract  
**Date:** Thursday, June 15, 2023 9:06:47 AM  
**Attachments:** [image001.jpg](#)

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I approve

---

**From:** Nicona Butler <[Nbutler@gcpud.org](mailto:Nbutler@gcpud.org)>  
**Sent:** Thursday, June 15, 2023 7:47 AM  
**To:** Ron Alexander <[ralexander@gcpud.org](mailto:ralexander@gcpud.org)>; Jesus Lopez <[Jlopez@gcpud.org](mailto:Jlopez@gcpud.org)>; Chris Heimbigner <[Cheimbigner@gcpud.org](mailto:Cheimbigner@gcpud.org)>; Allen Chatriand <[achatriand@gcpud.org](mailto:achatriand@gcpud.org)>  
**Subject:** FW: Contract 130-11695H - Quincy Foothills Substation Labor Contract

Good Morning,

I am trying to get this Contract submitted to the packet this morning. Please respond to this email string with your approval for submission.

Thank you!!!!

## Nicona Butler, CPPB

*Procurement Officer*

OFFICE 509.754.6749

EXT. 3232

EMAIL [nbutler@gcpud.org](mailto:nbutler@gcpud.org)



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

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**From:** Nicona Butler  
**Sent:** Wednesday, June 14, 2023 11:14 AM  
**To:** Ron Alexander <[ralexander@gcpud.org](mailto:ralexander@gcpud.org)>; Jesus Lopez <[Jlopez@gcpud.org](mailto:Jlopez@gcpud.org)>; Chris Johnson <[Cjohnson@gcpud.org](mailto:Cjohnson@gcpud.org)>; Allen Chatriand <[achatriand@gcpud.org](mailto:achatriand@gcpud.org)>  
**Subject:** Contract 130-11695H - Quincy Foothills Substation Labor Contract

Good Morning!

I am needing responses from each of you approving this Contract to be submitted to the Commission Packet for review. For the materials to be reviewed, the link to the Commission items are here → [C365Web \(contracts365.com\)](https://contracts365.com)

Please respond to this email string with your approval.

Thank you!

**Nicona Butler, CPPB**

*Procurement Officer*

**OFFICE** 509.754.6749

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**grantpud.org**

# For Commission Review – 06/27/2023

Motion was made by \_\_\_\_\_ and seconded by \_\_\_\_\_ authorizing the General Manager/CEO, on behalf of Grant PUD, to execute Change Order No. 11 to Contract 430-4045 with Voith Hydro, Inc increasing the not-to-exceed contract amount by \$15,820,834.00 for a new total revised maximum contract total of \$75,876,052.00 and resetting the delegated authority levels to the authority granted to the General Manager/CEO per Resolution No. 8609 for charges incurred as a result of Change Order No. 11.

xxxx

**MEMORANDUM**

**3/23/2023**

**TO:** Richard Wallen, General Manager

**VI A:** Jeff Grizzel, Chief Operating Officer <sup>DS</sup> [JG]  
Ben Pearson, Senior Manager Hydro Generation <sup>DS</sup> [BP]  
Aaron Kuntz, Senior Manager of EPMO <sup>DS</sup> [AK]  
Vince Von Paul, EPMO Manager <sup>DS</sup> [VVP]

**FROM:** Project Coordinators Nick Sackmann and John Wallace <sup>DS</sup> [NS] <sup>DS</sup> [JW]

**SUBJECT:** Contract 430-4045, Change Order No. 11

**Purpose:** To request Commission approval of Change Order No. 11 to Contract 430-4045 with Voith Hydro, Inc for the labor costs to disassemble, rehabilitate, and re-assemble Unit 6 of the Priest Rapids Dam turbine/generator upgrade project of **\$15,820,834** for a new revised contract total of **\$75,876,052**.

**Discussion:**

Contract 430-4045 was awarded to Voith Hydro, Inc. (Voith) on February 9, 2016, to provide on-site labor for rehabilitating the ten turbines and generators at Priest Rapids Dam. The contract is established on a time and material basis and includes Garrett Electric as Voith's subcontractor for the work's electrical portion. The Priest Rapids Dam turbine/generator rehabilitation project comprises three primary contracts: turbine supply 230-2583 (Voith Hydro, Inc), generator refurbishment and supply 230-3737 (GE/Alstom), and on-site labor 430-4045 (Voith Hydro, Inc) for the unit disassembly, rehabilitation, and re-assembly labor.

The additional costs included in this change order are due to the following:

**1. Changes and additions to the planned scope of work**

In over seven years since the contract was awarded, the three areas with the most significant scope addition to the contract are: underestimate of the original scope required, supporting other contractors (crane operator and emergency rescue team), and thrust bracket rehabilitation. The number of hours spent on the 1st unit rehabilitation revealed that the original scope of work had been underestimated. Original estimates were calculated using all available information; however, many unknown factors could only be determined once a unit was fully disassembled and investigative work performed. Now that the project has completed

four unit rehabilitations, many unknown factors and risks have been mitigated, but the additional underestimated scope must be incorporated into the project schedule.

The other contracts within this project specify that Grant PUD shall provide crane support (operator and rigger) when needed and Emergency Rescue Team (ERT) support for any work within a confined space. The intensity of these supporting roles for the turbine generator upgrade project is way beyond what Grant PUD staff can support; it was decided to have the labor contract incorporate this scope into the schedule as part of the standard unit rehabilitation.

The full extent of the scope to rehabilitate the thrust bracket is known once it is removed from the unit and disassembled. With multiple units now upgraded, the scope of the thrust bracket work can now be better estimated; however, it still needs to be incorporated into the contract's original scope.

The many other additional smaller scope items (35 total items) have been divided up into four categories, as discussed below and shown in the table:

- Scope added to the project for rehabilitating parts not awarded to the supply contractor as part of Contract 230-2583. (Total budgeted hours per unit: 5,610)
- New scope items are project additions that take advantage of the current unit outage. Some of these items may have their PID for purchasing the respective equipment and parts; however, installation utilizes Contract 430-4045 for the labor. (Total budgeted hours per unit: 3,390)
- Safety improvement scope items are additions that improve safety during the unit rehabilitation or unit operation. (Total budgeted hours per unit: 460)
- Miscellaneous scope additions incorporate preparation work between unit outages and safety training. (Total budgeted hours per unit: 3,810)

These additional scope items increase the overall cost for each unit rehabilitation and the overall duration of each unit outage.

Scope Change	Hours	Increase	U6 Est. Labor Cost
<b>Baseline Bid Hours</b>	<b>58,282</b>	<b>0%</b>	<b>\$7,524,381</b>
<b>Underestimated Original Scope</b>	16,250	28%	<b>\$2,097,924</b>
<b>Additional Scope #1 (Crane Support &amp; ERT)</b>	3,500	6%	<b>\$451,861</b>
<b>Additional Scope #2 (Thrust Bracket)</b>	2,780	5%	<b>\$358,906</b>
Misc. Scope Additions	13,270	22%	<b>\$1,713,197</b>
<ul style="list-style-type: none"> <li>• Additional Scope - Material Rehab. /Voith Supply Exclusion (15 Items)</li> <li>• New Scope (14 Items)</li> <li>• Safety Improvement (3 Items)</li> <li>• Remaining scope additions (3 Items)</li> </ul>			
<b>Current Schedule Budgeted Labor Hours</b>	<b>94,082</b>	<b>61%</b>	<b>\$12,146,268</b>

**2. Extending the unit outage duration from an original 12-month schedule to the current 14-month schedule due to additional project scope, including the necessity to add a night shift.**

When the decision was made to contract out the field labor for this project, a 12-month outage was assumed, and the work would be done utilizing one shift of work. Once the project began, it was immediately realized that two work shifts would be necessary for work to proceed efficiently and on time. The additional shift required the project to add a night shift supervisor and more millwrights, which were not part of the original manpower estimates. Based on our knowledge gained from newly rehabilitated units, the project team believes a 14-month schedule is achievable if the work is done utilizing two shifts (day and night). All the added scope is due to additional work necessary to rehabilitate or replace existing parts to ensure reliable long-term operation.

	Duration	Cost	Increase
On-site Management Staff (Original Bid)	12 Months	\$681,221	<b>104%</b>
On-site Management Staff (Current W/Night Supervisor)	14 Months	\$1,388,879	

**3. Wage rate escalations since the contract was first awarded.**

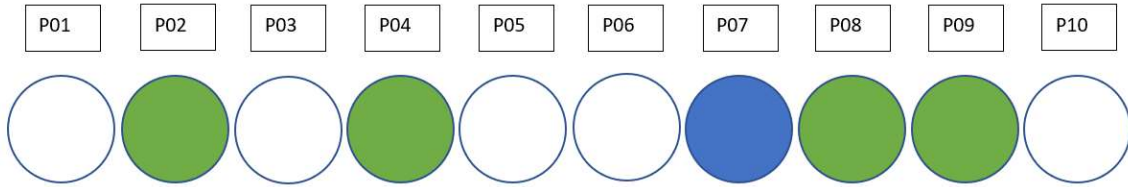
Since this contract was awarded in 2016, wage rates have significantly risen due to inflation and market conditions with no signs of slowing. The contract budgeted amount did not initially account for wage escalation. In the seven years since awarding the contract, average millwright wages have risen by 35%, average electrician wages have risen over 78%, and management pay has increased by over 23%.

	Original Bid	Current Unit	Increase
Workers	28	37	<b>32%</b>
Budgeted Hours	58,282	94,082	<b>61%</b>
Average Millwright ST \$/HR	\$86.69	\$117.21	<b>35%</b>
Average Electrician ST \$/HR	\$85.98	\$153.87	<b>79%</b>
Average Millwright OT \$/HR	\$120.84	\$163.39	<b>35%</b>
Average Electrician OT \$/HR	\$146.72	\$212.34	<b>45%</b>

**4. Unforeseen unit outage delays**

Three of the four completed unit upgrades have each experienced unforeseen unit outage delays that caused the outage duration to extend beyond the current 14-month schedule. The two most extensive delays were 1st unit lessons learned and COVID-19.





Sequential Unit #		<b>U2</b>		<b>U4</b>			<b>U5</b>	<b>U3</b>	<b>U1</b>	
Outage Start Date		1/29/2018		11/16/2020			9/19/2022	4/1/2019	8/1/2016	
Outage End Date		3/19/2019		9/19/2022			11/29/2023	11/5/2020	1/26/2018	
Outage duration		13.6 <i>mon</i> (414 days)		22.1 <i>mon</i> (672 days)			14.3 <i>mon</i> (436 days) <i>Est.</i>	19.2 <i>mon</i> (584 days)	17.9 <i>mon</i> (543 days)	

- 1st unit lessons learned delays were due to the unknowns of rehabilitating the project's first unit. The unit duration and manhours required were underestimated, tasks took longer than anticipated, rework was necessary, and delays in waiting for critical path parts. (Total hours: 15,304; Total cost to the contract: \$1,377,207)
- COVID-19 delays affected both the 3rd and 4th unit upgrades. The outages were delayed when crews were sent home during plant sequestrations, and productivity was lost due to changes in safety protocols such as social distancing, masking, and recurrent testing. (Total hours: 10,263 Total cost to the contract \$1,165,409)
- The project team is confident that a 14-month schedule is achievable on future units, and the 5th unit is currently on schedule without any delays to the critical path schedule.

With the additional scope added to each unit, a 2-month increase to the unit outage duration, the second shift required, continued wage escalation, and unforeseen outage delays, the initially awarded contract amount of \$59,980,218 is set to be at a zero balance of approximately six-weeks into disassembly of Unit 6.

**Justification:**

The primary goal of the turbine generator rehabilitation project is to ensure the continued reliable operation of the ten turbine generator units at Priest Rapid Dam for another 50 years while also increasing the efficiency of each unit and saving as much money as possible by reusing components. Many changes and additions have occurred to the labor contract since it was first awarded. All the various changes and additions to the project took into consideration the primary goal and will benefit the customers of Grant PUD for generations to come. This labor contract is required for the turbine generator upgrade project to continue, but additional funding is needed above the original project estimates. Change Order No. 11 will provide the funding to complete the upgrade of Unit 6 while

keeping the project on schedule without causing costly delays to any other project contracts. With a time and material labor contract, the contractor can benefit by having the project take longer and having more crew members. Grant PUD has communicated to Voith Hydro, Inc that all future unit upgrades will only be awarded through unit-by-unit change orders to the labor contract. The contractor and the project team continue to work together as both parties realize the importance of maintaining the outage schedule, providing quality and efficient work, and ensuring the proper crew size is monitored and maintained. The project team, scheduler, and contractor reviewed the current work schedule, and all agreed to the estimated durations, budgeted hours, and manpower requirements. Voith is a good partner, and Grant PUD has greatly appreciated their willingness to work with us through on-site management changes, safety support, COVID-19, and project work and schedule modifications.

1. ***Changes and additions to the planned scope of work:*** After four-unit rehabilitations, the scope is well understood and stable. Staff does not anticipate any changes to this item. If a scope change were necessary, the EPMO framework would capture the new scope through the change management process. A change order would be issued and approved before incorporating the scope change into the project and schedule.
2. ***Extending the unit outage duration from an original 12-month schedule to the current 14-month schedule due to additional project scope, including the necessity to add a night shift.*** The project staff and the contractor have agreed to the current project schedule for Unit 5, which has a unit outage duration of 425 calendar days. Since the outage began on September 16, 2022, rehabilitation of Unit 5 continues to proceed on time with no delays to the critical path schedule. If delays in labor workmanship cause an extension to the expected return to service date, liquidated damages will be assessed as described in Change Order No. 10 of this contract. Unexpected challenges during the outage are still possible, but we are mitigating the risk of previously identified issues with each unit.
3. ***Wage rate escalations since the contract was first awarded:*** The current budget forecast incorporates a 4% annual wage increase for all contracted labor. This will continue to be a risk and can change based on market conditions. The rate escalations could be adjusted as necessary with each unit-by-unit change order.

### **Financial Considerations:**

Unit 6 field labor support costs under Contract 430-4045 are budgeted under capital PIDs: 101752, 101763, 102916, 102926, 102936, and 103319 with Initiatives IN214, IN213, IN212, and IN219. The staff has included cost increase projections for this contract as part of these budgets. Therefore, the current budget projections include this information for the remaining units U5-10. Based on the current project schedule, the Unit 6 outage budget will begin in December 2023, continue through 2024, and be returned to service in January 2025.

The total cost for proposed Change Order No. 11 is **\$15,820,834**. It will cover the on-site labor costs, overtime costs, management site coverage, and a contingency reserve for any unforeseen requirements for Unit 6 to be rehabilitated on a time and materials basis. These costs include the labor for the

electrical portion of the rehabilitation of Unit 6, which utilizes Garrett Electric as the subcontractor for Voith. Contract 430-4045 was established on a time and material basis due to a lack of time to do the necessary investigative work that would have enabled the writing of technical specification language for a firm-fixed-price contract at the onset of the project. Without first doing significant unit disassembly and inspection work on multiple units, having a thriving firm fixed price contract is nearly impossible, thus leading to the decision to establish a time and materials contract for on-site labor. With the project having completed four unit rehabilitations and the completion of Unit 5 scheduled for the end of 2023, most of the technical knowledge on existing conditions is now known. The work transitions from the investigation, technical disposition, and cost/benefit scope decisions to repeating a known scope and process. The project could now be considered work for a firm fixed price contract; however, to change the contract at this time would require rebidding of the contract. Rebidding the contract would lead to significant delays in the project, potential underprepared contractors submitting winning bids, and Grant PUD taking responsibility for incurred delay costs to the other project contracts. Based on the impacts of rebidding, the project staff believes rebidding a fixed-price contract will result in higher overall project costs.

The inability to transition to a firm-fixed-price contract has led the project team to look at other ways to improve efficiency and reduce labor costs. A scheduler has been added to the team to monitor budgeted hours versus actual hours more closely, tracking schedule progress with resource-loaded activities and percentage of work completed, weekly critical path reviews, and tracking schedule variances. The scheduler works closely with the project team and the contractor to ensure work is coordinated most efficiently and cost-effectively. A recent project audit recommended areas where the team can look for even more cost savings and improved work efficiencies. The team works with the contractor to minimize labor inefficiencies during slow phases by reducing the labor crews' numbers and encouraging crew members to take personal time during specific work phases. This project started before the implementation of Grant PUD's EPMO. The auditors found that many of the previous project deficiencies have been corrected, and the project is progressing with the proper project management systems in place. The EPMO's project management framework and change management process will continue to reduce risk and improve the deliverables of the project regarding scope, schedule, and budget.

Now that the project has a more specified scope, process, and schedule, the team has established a more defined breakdown of the labor costs necessary for each unit rehabilitation, in calculating the labor costs required for Unit 6, a 4% annual wage increase is used, along with overtime work requirements and additional management coverage needed to maintain the critical path schedule during specified phases of work.

**Change Order History:**

CO#1 – CO#9 – These change orders were written to change contract language and involved no financial changes.

CO#10 – The addition of contract language changes, liquidated damages paid to Grant PUD when quality issues cause delays to the critical path schedule, and compensation paid per unit to the contractor for Millwright Union zone pay expenses —\$75,000.

**Legal Review:** See attached email.

**Recommendation:** Commission approval of Change Order No. 11 to Contract 430-4045 with Voith Hydro, Inc for the labor costs to disassemble, rehabilitate, and re-assemble Unit 6 of the Priest Rapids Dam turbine/generator upgrade project of **\$15,820,834** for a new revised contract total of **\$75,876,052**.

CHANGE ORDER  
NO. 11

Pursuant to Section GC-12, the following changes are hereby incorporated into this Contract:

- A. Description of Change: Increase the Contract Price to add additional funds for Unit 6.
- B. Time of Completion: The Milestone completion dates of Section SR-2.A per Change Order No. 1 shall remain unchanged.
- C. Contract Price Adjustment: As a result of this Change Order, the not to exceed Contract Price shall be increased by the sum of \$15,820,834.00 plus applicable sales tax. This Change Order shall not provide any basis for any other payments to or claims by the Contractor as a result of or arising out of the performance of the work described herein. The new total revised maximum Contract Price is \$75,876,052.00, subject to the Price Adjustment provision of Section SR-17, 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

Voith Hydro, Inc.

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

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

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

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

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

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

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

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



Change Order Table

**Contract Title:** Powerhouse Upgrade Field Work

Contract No.	430-4045	Award Date:	2/9/2016
Project Manager:	John Wallace	Original Contract Amount:	\$59,980,218.00
District Representative (If Different):		Original Contract completion:	Based on NTP
Contractor:	Voith Hydro, Inc.	Total CO Cost Change Amt	\$15,895,834.00

CO#	Change Description	Approved by	Approval Date	Revised Completion Date	Cost Change Amount	Revised Contract Amount	Authority Level Tracking
1	Replace the Unit 1 Milestone completion table in Section SR-2.A	Eng Supvr	03/03/16	N/A	\$0.00	\$59,980,218.00	\$0.00
2	Replace Section GC-30, Bond in Lieu of Retainage	Hydro Eng	05/09/16	N/A	\$0.00	\$59,980,218.00	\$0.00
3	Add a paragraph to Section SR-19 to allow Contractor to subcontract the electrician work to Garrett Electric on Unit 1 only.	Hydro Eng Supvr	07/28/16	N/A	\$0.00	\$59,980,218.00	\$0.00
4	Add CIP language to contract.	Hydro Eng	09/26/16	N/A	\$0.00	\$59,980,218.00	\$0.00
5	Revise Section SR-19 to allow Contractor to subcontract the electrician work to Garrett Electric on Units 2-10.	Dept Mgr	06/26/17	N/A	\$0.00	\$59,980,218.00	\$0.00
6	Add a double the straight time rate for all work performed on Sundays, holidays and any hours worked in excess of a 12 hour shift.	Dept Mgr	07/12/17	N/A	\$0.00	\$59,980,218.00	\$0.00

7	Add a mileage rate to reimburse the Contractor for travel costs incurred as part of the required recurrent antigen testing related to COVID-19.	Senior/PI ant Mgr	04/16/21	N/A	\$0.00	\$59,980,218.00	\$0.00
8	After-the-Fact CO to add management OT rates to compensate Contractor for work performed in September 2021.	Senior/PI ant Mgr	11/04/21	N/A	\$0.00	\$59,980,218.00	\$0.00
9	Increase the NTE amount of NTP No. 4.	Dept Mgr	01/14/22	N/A	\$0.00	\$59,980,218.00	\$0.00
10	Add language to Sections GC-10, GC-11 and GC-13, revise Section GC-18, add language to Section GC-20, revise Section SR-2 to add LD's, replace Section SR-9, revise Sections SR-13 and SR-24, remove Addendum No. 3 changes, Add CSR's to the Contract, and Increase the NTE	Senior/PI ant Mgr	07/28/22	N/A	\$75,000.00	\$60,055,218.00	\$75,000.00
11	Increase the Contract Price to add additional funds for Unit 6.	Comm		N/A	\$15,820,834.00	\$75,876,052.00	\$15,895,834.00
Total Change Order Cost Change Amount					15,895,834.00		