

Public Utility District No. 1 of Franklin County, Washington
Special Commission Meeting Agenda

January 23, 2024 | Tuesday | 7:30 A.M.
1411 W. Clark Street & via remote technology | Pasco, WA | www.franklinpud.com

Meetings of the Board of Commissioners are also available to the public via remote technology. Members of the public may participate by dialing: (888) 475-4499 US Toll-free or 1 (253) 215-8782

Join Zoom Meeting

<https://franklinpud.zoom.us/j/89417299726?pwd=YktFZkFJRFFEQzZxZ1laQjJVajVDdz09>

Meeting ID: **894 1729 9726**

Passcode: **313878**

- 1) Pledge of Allegiance
- 2) Public Comment – *Individuals wishing to provide public comment during the meeting (in-person or remotely) will be recognized by the Commission President and be provided opportunity to speak. Written comments can be sent ahead of the meeting and must be received at least two days prior to the meeting to ensure proper distribution to the District’s Board of Commissioners. Comments can be emailed to clerkoftheboard@franklinpud.com or mailed to Attention: Clerk of the Board, PO BOX 2407, Pasco, WA, 99302.*
- 3) Approval of Consent Agenda
- 4) Adopting a Resolution Authorizing the Issuance and Sale of Electric Revenue Bonds in One or More Series in the Aggregate Principal Amount of Not to Exceed \$20,000,000 to Finance or Reimburse Improvements to the District’s Electric System, Fixing the Form and Covenants of the Bonds, and Delegating Authority to the Designated Representative to Approve the Final Terms of the Bonds. **Presenter: Katrina Fulton, Finance & Customer Service Director**
- 5) Adopting a Resolution Approving a Revised Organizational Statement and Superseding Resolution 1378. **Presenter: Rosario Viera, Public Information Officer**
- 6) Adopting a Resolution Revising the Hours of the Agent for Service of Claims for the District and Superseding Resolution 1369. **Presenter: Rosario Viera, Public Information Officer**
- 7) Authorizing the General Manager/CEO or his Designee to Execute a Contract for the Purchase of a Passive Optical Network Required for the Connell and Basin City Fiber-To-The-Home Project. **Presenter: Steve Ferraro, Assistant General Manager**

2024 Board of Commissioners

Stu Nelson, President ~ Roger Wright, Vice-President ~ Bill Gordon, Secretary

- 8) Authorizing the General Manager/CEO or his Designee to Execute an Extension to the Pole Testing and Treatment Contract. **Presenter: Victor Fuentes, Engineering & Operations Senior Director**
- 9) Authorizing the General Manager/CEO or his Designee to Execute a Contract for the Purchase of Switchgear. **Presenter: Victor Fuentes, Engineering & Operations Senior Director**
- 10) Discussing and Updating the District's Strategic Plan. **Presenter: Scott Rhees, General Manager/CEO and Facilitator Dave Mercier**
- 11) Close Meeting – Adjournment

CONSENT AGENDA

Public Utility District No. 1 of Franklin County, Washington
Special Commission Meeting

1411 W. Clark Street, Pasco, WA
January 23, 2024 | Tuesday | 7:30 A.M.

- 1) To approve the minutes of the December 12, 2023, Regular Commission meeting.
- 2) To approve payment of expenditures for December 2023 amounting to \$10,582,407.83 as audited and certified by the auditing officer as required by RCW 42.24.080, and as reviewed/certified by the General Manager/CEO as required by RCW 54.16.100, and expense reimbursement claims certified as required by RCW 42.24.090 and as listed in the attached registers and made available to the Commission for inspection prior to this action as follows:

Expenditure Type:	Amounts:
Direct Deposit Payroll – Umpqua Bank	\$ 505,582.62
Wire Transfers	4,715,034.97
Automated and Refund Vouchers (Checks)	3,818,157.11
Direct Deposits (EFTs)	1,697,598.98
Voids	(153,965.85)
Total:	\$ 10,582,407.83

- 3) To approve the Write Offs in substantially the amount listed on the January 2024 Write Off Report totaling \$3,437.68.
- 4) Contracts Awarded During 2023 from the District’s Small Works Roster. **(For Information Only - Report to Commission)**

**THE BOARD OF COMMISSIONERS
OF
PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN COUNTY, WASHINGTON**

MINUTES OF THE DECEMBER 12, 2023
REGULAR COMMISSION MEETING

The Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington held a regular meeting at 1411 W. Clark St., Pasco, WA, on December 12, 2023, at 1:00 p.m. Remote technology options were provided for the public to participate.

Those who participated from the District via remote technology or in person for all or part of the meeting were Commissioner Bill Gordon, President; Commissioner Stu Nelson, Vice President; Commissioner Roger Wright, Secretary; Scott Rhees, General Manager/CEO; Steve Ferraro, Operations Director; Victor Fuentes, Engineering Director; Katrina Fulton, Finance and Customer Service Director; Rosario Viera, Public Information Officer and Tyler Whitney, Outside General Counsel.

Additional staff that participated in person or via remote technology for all or part of the meeting were Celene Lockard, Customer Service Specialist, and Shelly Olson, Records Coordinator.

Public participating in person or via remote technology for all or part of the meeting was Mr. Pedro Torres.

OPENING

Commissioner Gordon called the meeting to order at 1:00 p.m. and called on Ms. Lockard to lead the Pledge of Allegiance.

PUBLIC COMMENT

At this time, there was no public participating in person, via the remote technology option or written public comment provided prior to the meeting.

EMPLOYEE MINUTE

Commissioner Gordon welcomed Ms. Lockard and asked general questions about her current position, tasks her position entails, favorite parts of her job, her professional growth at the District and what safety improvements or changes she has seen over the course of her employment.

Ms. Lockard reported that she has worked for the District for eight years as a Customer Service Specialist, assisting customers with everything from taking payments to signing up for services offered by the District. Ms. Lockard reported that she finds her job very rewarding. She noted that the safety improvement that she appreciates most is the secure parking for the employees.

Commissioner Wright asked how the customer interaction has changed since the Covid-19 pandemic. Ms. Lockard reported that the pandemic led customers to explore alternative methods of payments and prompted them to inquire about the additional services offered by the District. She noted that while it was a change for the customers it was also beneficial for them, as it showcased the many services and payment options available to them.

Ms. Fulton noted that Ms. Lockard has signed up over 500 customers for paperless billing and thanked her for her efforts. The Commission thanked Ms. Lockard for attending.

At this time, Commissioner Gordon welcomed the member of the public that arrived after public comment had been called and called for public comment again. Mr. Torres reported he had no comment at this time and was attending to learn more about the District. Commissioner Gordon noted Mr. Torres was welcomed to ask questions at any time during the meeting.

COMMISSIONER REPORTS

Commissioner Nelson reported that:

- He attended the Pasco Chamber luncheon and noted it was their annual donations drive for various charities.

Commissioner Wright reported that:

- The Customer Service staff has done a great job assisting customers with their payments and minimizing write-offs. He noted that their efforts are appreciated and have contributed to the write-offs decreasing significantly.
- He will be attending a NoaNet meeting on December 13, 2023 in Spokane and he will tour the new NoaNet facility. He reported that NoaNet reached a resolution for a payout plan for current members and noted that NoaNet will continue to collaborate on finding a fair and equitable solution for equal ownership for members.

Commissioner Gordon reported that:

- He attended the Energy Northwest meeting. He provided insights into the various aspects of the participants on the Executive Board.
- He would like to request various 2024 Commission meetings begin at 8:00 a.m. to accommodate his attendance at the Energy Northwest meetings. Staff discussed options with the Commission.

Commissioner Wright emphasized the importance of maintaining consistent meeting times for both the public and staff members. The Commission noted further discussion would happen during the presentation of Agenda Item 12, Adopting a Resolution Revising the District's Organizational Statement and Superseding Resolution 1378.

CONSENT AGENDA

The Commission reviewed the Consent Agenda. Commissioner Wright asked questions on the solar incentive credits that were listed on the warrant register and Ms. Fulton provided the

information. Commissioner Wright asked staff to research other cost saving payment options for incentives under \$10.00.

Commissioner Wright moved and Commissioner Nelson seconded to approve the Consent Agenda as noted below. The motion passed unanimously.

- 1) To approve the minutes of the November 14, 2023, Special Commission meeting.
- 2) To approve payment of expenditures for November 2023 amounting to \$10,251,375.15 as audited and certified by the auditing officer as required by RCW 42.24.080, and as reviewed/certified by the General Manager/CEO as required by RCW 54.16.100, and expense reimbursement claims certified as required by RCW 42.24.090 and as listed in the attached registers and made available to the Commission for inspection prior to this action as follows:

Expenditure Type:	Amounts:
Direct Deposit Payroll – Umpqua Bank	\$ 745,789.78
Wire Transfers	6,197,103.60
Automated and Refund Vouchers (Checks)	1,493,062.19
Direct Deposits (EFTs)	1,835,715.20
Voids	(20,295.62)
Total:	\$10,251,375.15

- 3) To approve the Write Offs in substantially the amount listed on the December 2023 Write Off Report totaling \$2,886.49.

AGENDA ITEM 6, RE-OPENING THE 2024 BUDGETS PUBLIC HEARING, PRESENTING THE FINAL 2024 OPERATING AND CAPITAL BUDGETS, CLOSING THE PUBLIC HEARING AND ADOPTING A RESOLUTION APPROVING THE 2024 OPERATING AND CAPITAL BUDGETS.

Commissioner Gordon re-opened the 2024 Operating and Capital Budgets hearing. Commissioner Gordon called for public comment and there was no public comment provided and no public comment was received prior to the meeting. Commissioner Gordon called on Ms. Fulton for presentation of the Agenda Item.

Ms. Fulton reviewed Attachments A and B and reported on the crosswalk changes which included updating the market sales with the final power forecast information, a reduction of \$170,000 in the capital budget Vehicles category, and the addition of funds for ADA Compliance and Safety Enhancements needed for the administration building. The Commission noted the budget was significant and asked for Mr. Rhees' thoughts regarding potential rate action for 2024. Mr. Rhees reported that the Cost of Service study is in progress and he noted that staff would likely ask consideration of a rate action in early 2024. Mr. Rhees reported that other utilities are proposing a multi-year rate action. He noted this will be discussed at the Rate Advisory Meeting tentatively to be held late January or early February of 2024.

Commissioner Wright noted that a smaller rate action was more prudent than not having a rate adjustment at all as this could put a financial strain on the District which would be more detrimental to customers. Commissioner Wright noted that the last rate action was in 2017 and that was positive.

The Commission asked questions on the Railroad Avenue Substation project, and customer aid to construction costs and staff provided the information. Discussion ensued.

Commissioner Wright asked Mr. Torres if he had questions or comments on the proposed budget. Mr. Torres inquired about on how the budget is created, when the process begins, and Commission's involvement with the budget. The Commission and staff provided the information. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Wright seconded to close the 2024 Operating and Capital Budgets public hearing and adopt Resolution 1401 as presented. The motion passed unanimously.

AGENDA ITEM 7, ADOPTING A RESOLUTION APPROVING THE PRE-QUALIFICATION OF ELECTRICAL AND FIBER OPTIC CONTRACTORS FOR CALENDAR YEAR 2024.

Ms. Fulton introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. The Commission asked questions on contractor's listed twice on the roster and staff provided information. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to adopt Resolution 1402 as presented. The motion passed unanimously.

AGENDA ITEM 8, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO APPROVE PAYMENT FOR AUTOMATED MAILING SERVICES, BILL INSERTS, ON-LINE PAYMENT PROCESSING AND ANNUAL SOFTWARE MAINTENANCE FOR 2024 PAYABLE TO THE NATIONAL INFORMATION SOLUTIONS COOPERATIVE.

Ms. Fulton introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. She noted this was an annual item needed as the combined costs exceeds the General Manager/CEO's authority limit of \$120,000. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to authorize the General Manager/CEO or his designee to approve 2024 payments for the services described, payable to NISC, in an amount not to exceed \$590,296. The motion passed unanimously.

AGENDA ITEM 9, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A TASK ORDER WITH THE ENERGY AUTHORITY FOR 2024 CONSULTING SERVICES.

Ms. Fulton introduced the agenda item and reviewed the background information as reported

on the Agenda Item Summary included in the meeting packet. The Commission had questions on the fees and staff provided information. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Wright seconded to authorize the General Manager/CEO for 2024 Consulting Services in an amount not to exceed \$150,000. The motion passed unanimously.

AGENDA ITEM 10 AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO APPROVE CONTINUING THE UTILIZATION OF THE WASHINGTON STATE DEPARTMENT OF ENTERPRISE SERVICES CONTRACT FOR 2024 MISCELLANEOUS FIBER DOCK CREW PROJECTS.

Mr. Ferraro introduced the agenda item and reviewed the background information as reported on the Agenda Item Summary included in the meeting packet. Staff reviewed their recommendation.

Commissioner Nelson moved and Commissioner Wright seconded to authorize the General Manager/CEO or his designee to approve continuing the utilization of the Washington State DES Contract 5620 for 2024 Miscellaneous Fiber Dock Crew Projects in an amount not to exceed \$740,000, including applicable taxes. The motion passed unanimously.

AGENDA ITEM 11, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT RENEWAL WITH DAUPLER, INC., FOR AFTER HOURS ANSWERING SERVICES.

Mr. Ferraro introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. The Commission asked questions regarding the service provided by Daupler, Inc. and how the service will utilize the integration being done. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to authorize the General Manager/CEO or his designee to execute the three-year renewal of Contract 10143, beginning January 1, 2024 through December 31, 2026, with Daupler, Inc., for after hours services in an amount not to exceed \$205,896. The motion passed unanimously.

AGENDA ITEM 12, ADOPTING A RESOLUTION REVISING THE DISTRICT'S ORGANIZATIONAL STATEMENT AND SUPERSEDING RESOLUTION 1378.

Ms. Viera introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. Ms. Viera reported that the changes were to reflect the approved business hours of Monday through Thursday, 7 a.m. to 6 p.m., and closed on Friday. She noted that any changes to the Commission meeting start time would need to be reflected in the Organizational statement.

Commissioner Gordon brought up the matter of changing the start time to various Commission meetings to accommodate his attendance to Energy Northwest meetings. Commissioner Wright reiterated, the importance of maintaining consistent meeting times for ease of attendance by the public. He also expressed his disagreement with scheduling the meeting on the second

Tuesday of the month and noted that financial reports would lag a month. Commissioner Wright noted that he would be in favor of the Commission meetings staying on the fourth Tuesday and begin at an earlier time. There was discussion on various options to accommodate Commissioner Gordon's request. After discussion, the Commission concurred with changing the meeting start time to 8:30 a.m. and continuing on the fourth Tuesday. The Commission agreed to table this agenda item until the January meeting to allow staff time to verify this change would not conflict with other meetings of the Commission or District.

Commissioner Wright moved and Commissioner Nelson seconded to table this matter until the January 23, 2024 Regular Commission meeting. The motion passed unanimously.

AGENDA ITEM 13, REVIEWING AND APPROVING THE 2024 COMMISSION MEETING WORKSHOPS AND PRESENTATIONS SCHEDULE.

Ms. Viera introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to approve the 2024 Commission Meeting Workshops and Presentations in substantially the form presented today. The motion passed unanimously.

Commissioner Gordon inquired about alternative options for purchasing power. He recommended that staff review all options available to the District. He provided his insight on the Small Nuclear Reactor project as a possible power resource.

AGENDA ITEM 14, APPROVING THE CONSERVATION TARGETS AS DESCRIBED IN THE CONSERVATION POTENTIAL ASSESSMENT REPORT FOR 2024-2043.

Ms. Fulton introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to approve the 2 year and 10 year conservation targets as described in the Conservation Potential Assessment 2024 to 2043 Final Report. The motion passed unanimously.

AGENDA ITEM 15, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR PROFESSIONAL BROADBAND DESIGN SERVICES REQUIRED FOR THE CONNELL AND BASIN CITY FIBER TO THE HOME PROJECT.

Mr. Ferraro introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. He reported that staff evaluated seven (7) proposals and found that WBE Technologies, LLC was the highest scoring proposal based on the criteria. The Commission asked questions regarding the scoring, and WBE Technologies' reputation and project history. Staff provided the information. Staff reviewed

their recommendation.

Commissioner Wright expressed that he was pleased that there were no requirements for matching funds for this grant.

Commissioner Nelson moved and Commissioner Wright seconded to authorize the General Manager/CEO or his designee to execute a contract with WBE Technologies LLC, the most qualified consultant, for professional broadband design services in an amount not to exceed \$103,000. The motion passed unanimously.

AGENDA ITEM 16, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO UTILIZE SOURCEWELL CONTRACT NO. 110421-TIM FOR THE PURCHASE OF A SERVICE BUCKET TRUCK.

Mr. Ferraro introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet.

Commissioner Wright inquired about delivery time and what modifications would be needed for the vehicle and staff provided the information. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to authorize the General Manager/CEO or his designee to utilize Sourcewell Contract No. 110421-TIM for the purchase of a Service Bucket Truck in the amount not to exceed \$205,821. The motion passed unanimously.

The Commission noted that utilizing these types of contracts for purchases was highly beneficial and staff should continue to seek similar opportunities for all types of purchases.

AGENDA ITEM 17, APPROVING THE 2024 ORGANIZATION REPRESENTATION LIST.

Mr. Rhees introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. Mr. Rhees reviewed the changes as shown on Attachment A of the Agenda Item and noted that there was no alternate listed for the Public Power Council (PPC). He reported that the alternate would have to be approved by PPC. He noted that the next meeting is not until 2024 and that he intended to submit for PPC consideration, Mr. Fuentes to be his alternate. The Commission concurred with Mr. Rhees submitting Mr. Fuentes to be his alternate at PPC.

Commissioner Nelson moved and Commissioner Wright seconded to approve the 2024 Organization Representation List as presented. The motion passed unanimously.

AGENDA ITEM 18, ADOPTING A RESOLUTION APPROVING THE SALARY ADMINISTRATION PLAN FOR REGULAR NON-BARGAINING EMPLOYEES AND SUPERSEDING THE MOTION FROM JULY 25, 2023 AND RESOLUTION 1381.

Mr. Rhees introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. He noted that there were additional changes being proposed to salary grade 22, and provided a revised Salary Administration Plan Attachment A handout showing the additional changes from what was provided in the meeting

packet.

Commissioner Wright reported that it was important to compensate in line with the current market to retain and attract good employees. He noted that good and dedicated employees help contribute to keeping rates low. He reported that the District has not had any rate action since 2017 and he believed it was due to staff's dedication and hard work. He noted it was necessary to be able to compensate properly and remain competitive with the salary plan. Commissioners Gordon and Nelson agreed. Staff reviewed their recommendation.

Commissioner Wright moved and Commissioner Nelson seconded to adopt Resolution 1404 as presented. The motion passed unanimously.

Ms. Viera requested an amended motion to include the changes to salary grade 22 as were presented today in Exhibit A of Resolution 1404.

Commissioner Wright moved and Commissioner Nelson seconded to revise the motion to adopt Resolution 1404 with the changes to salary grade 22 as were presented and included in Exhibit A of the Resolution. The amended motion passed unanimously.

GENERAL MANAGER/CEO REPORT

Mr. Rhees reported that:

- He participated in a discussion with Holtec International (Holtec), Tri-City Development Council and other local investors regarding the possibility of a Small Nuclear Reactor (SMR) development project. He noted that the District is supportive of this project and noted Holtec is seeking to meet with representatives from Energy Northwest as well.

Commissioner Wright requested an update on the NuScale Power Corporation and Mr. Rhees reported that the project is officially terminated.

- The settlement agreement report involving the Snake River Dam is scheduled to be released tomorrow. He noted that the agreement's ambiguity can impact future power costs significantly.

Commissioner Gordon reported that other tribes have filed similar lawsuits on the other dams located on the Snake River and noted the situation continues worsen.

- He and other District staff will meet with The Energy Authority, Inc., and other BPA Slice customers to discuss the impacts of the agreement on the slice product offered by BPA. Discussion ensued.

FINANCE AND CUSTOMER SERVICE DIRECTOR REPORT

Ms. Fulton reported that:

- Brian Johnson began employment with the District last week as Power Manager and another Power Analyst will begin in January 2024. She noted that both have good experience.
- The Deferred Compensation Committee met on November 30, 2023 and decided to go out for a Request for Proposal (RFP) for Third Party Administrator services. She noted that it has been over 10 years since the last RFP was done for this service.
- The Helping Hands program assistance amount was increased from \$100 to \$200 effective January 1, 2024.
- The Winter Weatherization Workshops were held last week and noted that overall were very successful. She noted that there were a large number of attendees that signed up for in-home energy efficiency audits.
- She noted that the State Auditor's Clean Energy Transformation Act Audit is still pending finalization. She noted that there were consistent findings to multiple utilities across the state and noted that the instructions from the Department of Commerce were difficult to decipher.
- She attended the WPUDA finance officers meeting virtually and noted that several utilities are raising rates. She reported that one of the highest was a 6% increase and noted that other utilities are facing the same uncertainties surrounding the BPA contract.
- The October 2023 monthly Key Performance Indicator (KPI) report was included in the meeting packet, and she reviewed it. The Commission requested staff provide additional information at the next meeting on the data included in the Load/Resources slide and transmission and ancillary costs.

OPERATIONS DIRECTOR REPORT

Mr. Ferraro reported that:

- There continues to be improvements done on the District's facilities including a replacement of an air conditioning unit at Operations. He noted that staff is working on making improvements to the customer service lobby area so that it is compliant with the American Disability Act. He reviewed some of the changes that are needed.
- Open enrollment is now closed for the 2024 benefit period.
- Staff continues to work with Daupler and NISC to complete the upgrade to the outage software that will enhance communication between the Command Center and outage management system module.
- The vehicles that were surplus earlier this year were auctioned off and noted that after auction fees \$25,575 was received.
- A Labor and Industries agent attended a safety meeting to discuss meter base inspections. He noted that having an ongoing positive relationship with them was beneficial to the District.
- For his audit, he reported that staff performed a meter count of what was in the warehouse and compared it to what is in the NISC system. He noted that all 7,469 meters were accounted for.

PUBLIC INFORMATION OFFICER REPORT

Ms. Viera reported that:

- The public notification on the business hours change is in progress and reported that a similar approach to the survey targeting the customers that come to the District's office and call is being done. She noted that all resources are being utilized.
- For her audit, she reviewed all the documents and signage that will need to be updated with the new hours and noted that many updates will need to be done.

ENGINEERING DIRECTOR REPORT

Mr. Fuentes reported that:

- The mobile substation was successfully deployed to the Ruby Substation and noted that it has been in use since the day before Thanksgiving. He reported that the substation's Bay 2 transformer is currently out of service and noted that the manufacturer will be on site the week of December 18 to trouble shoot and resolve the problem.
- As was requested by the Commission, he provided a handout with the Pasco CT timeline.
- He visited WSU Tri-Cities and spoke with Junior and Senior electrical engineering students. He noted that there was a total of 21 students present and they had asked a lot of questions about the utility industry. He reported the visit had gone well.
- David Montelongo has transitioned to his new position as Transmission & Distribution Superintendent - Design/Engineering and reported that he brings a lot of expertise to this role.
- Aric Grob began his employment with the District as a Substation Electrician.
- For his audit, he reviewed the owner furnished materials list for the Railroad Avenue Substation and noted that 71 out of the 142 items ordered have been delivered.

OUTSIDE GENERAL COUNSEL REPORT:

Mr. Whitney reported that:

- He continues to work on the water rights associated with the old Pasco CT site.

Commissioner Gordon commended staff on dealing with the water rights.

- For his audit, he is in the process of reviewing the District's net metering contract template and District policies to ensure that all expenses are recovered properly. He noted that he will provide his suggestions to staff when done.

Mr. Whitney requested that Commissioner Gordon call for an executive session as allowed by RCW 42.30.110(i) "to discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency."

At 3:15 p.m., Commissioner Gordon called for a five-minute break.

At 3:20 p.m., Commissioner Gordon reconvened the regular meeting and called for an executive session to begin at 3:20 p.m. and end at 3:35 p.m. for the purpose of discussing pending or potential litigation as allowed by RCW 42.30.110(i) to discuss with legal counsel representing the agency litigation when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

At 3:35 p.m., Commissioner Gordon called for an additional five minutes and extended the executive session to end at 3:40 p.m.

At 3:40 p.m., Commissioner Gordon ended the executive session and reconvened the regular meeting.

CLOSING OF MEETING – ADJOURNMENT

With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 3:40 p.m. The next meeting will be a special meeting on January 23, 2024, at 8:00 a.m. for the purpose of reviewing, discussing, and updating the District's Strategic Plan and will be held at the District's Auditorium located at 1411 W. Clark Street, Pasco, WA. Remote technology options will be provided for members of the public to participate.

Stuart Nelson, President

Roger Wright, Vice President

William Gordon, Secretary

Accounts Payable

Check Register - Wires

12/01/2023 To 12/31/2023

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1	2376	12/14/2023	WIRE	100285	WA STATE SUPPORT REGISTRY	SUPPORT PAYMENT	503.67
2	2382	12/14/2023	WIRE	113257	EFTPS - PAYROLL TAXES	FEDERAL INCOME TAX	101,295.37
3	2384	12/15/2023	WIRE	112707	THE ENERGY AUTHORITY	TEA SCHEDULING & CONSULTING	113,767.79
4	2374	12/18/2023	WIRE	100464	WA STATE DEPT OF RETIREMENT SYSTEMS	PERS PLAN 3 WSIB A	55,417.16
5	2383	12/19/2023	WIRE	100231	GRAYS HARBOR PUD	LAND PURCHASE FROM GHPUD-CT SITE	50,000.00
6	2381	12/20/2023	WIRE	112715	POWEREX CORP	POWER SUPPLY CONTRACT	1,487,163.52
7	2380	12/26/2023	WIRE	112689	BONNEVILLE POWER ADMINISTRATION	POWER BILL	1,911,873.00
8	2386	12/26/2023	WIRE	109978	WA STATE DEPT OF REVENUE	NOV 2023 EXCISE TAX	243,185.41
9	2390	12/26/2023	WIRE	100521	PUD ADVANCE TRAVEL	PUD ADVANCE TRAVEL	790.00
10	2379	12/27/2023	WIRE	112689	BONNEVILLE POWER ADMINISTRATION	TRANSMISSION BILL	533,927.00
11	2392	12/28/2023	WIRE	100285	WA STATE SUPPORT REGISTRY	SUPPORT PAYMENT	503.67
12	2393	12/28/2023	WIRE	113257	EFTPS - PAYROLL TAXES	FEDERAL INCOME TAX	89,965.29
13	2378	12/29/2023	WIRE	112709	LL&P WIND ENERGY INC	WHITE CREEK WIND	126,643.09
Total for Bank Account - 3 :							4,715,034.97
Grand Total :							4,715,034.97

Accounts Payable

Check & Customer Refunds

12/01/2023 To 12/31/2023

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1	45629	12/07/2023	CHK	100028	ABADAN	PRINTER MAINTENANCE	379.64
2	45630	12/07/2023	CHK	109927	ARAMARK UNIFORM SERVICES	MATS AND COVERALLS	162.80
3	45631	12/07/2023	CHK	104565	BIG BEND ELECTRIC COOPERATIVE INC	UTILITY SERVICES	113.26
4	45632	12/07/2023	CHK	114254	BORDER STATES INDUSTRIES INC	WAREHOUSE MATERIALS & SUPPLIES	31.31
5	45633	12/07/2023	CHK	100515	CED	WAREHOUSE MATERIALS & SUPPLIES	181,049.42
6	45634	12/07/2023	CHK	100354	CITY OF CONNELL	UTILITY SERVICES	77.22
7	45635	12/07/2023	CHK	100360	CITY OF PASCO	UTILITY SERVICES	506.52
8	45636	12/07/2023	CHK	113363	COLEMAN OIL COMPANY	GAS & OTHER FUELS	9,938.18
9	45637	12/07/2023	CHK	100346	CONNELL OIL INC	FUEL & OTHER GASES	911.04
10	45638	12/07/2023	CHK	105071	DIRECT AUTOMOTIVE	OPERATING SUPPLIES	104.18
11	45639	12/07/2023	CHK	100197	FEDEX	FEDEX	6.38
12	45640	12/07/2023	CHK	103040	FIRE PROTECTION SPECIALISTS LLC	ANNUAL BUILDING FIRE & ALARM TESTING	6,899.65
13	45641	12/07/2023	CHK	114024	FRANKLIN COUNTY FACILITIES	ENERGY SERVICES	3,826.00
14	45642	12/07/2023	CHK	100206	FRANKLIN COUNTY GRAPHIC	ADVERTISING	55.80
15	45643	12/07/2023	CHK	100518	FRANKLIN COUNTY PUBLIC WORKS	PROFESSIONAL SERVICES	493.14
16	45644	12/07/2023	CHK	103521	GRAYBAR ELECTRIC INC	BROADBAND MATERIALS & SUPPLIES	3,630.00
17	45645	12/07/2023	CHK	114007	GRIGG ENTERPRISES INC	BUILDING MAINTENANCE & SUPPLIES	32.53
18	45646	12/07/2023	CHK	113721	KENNEWICK INDUSTRIAL & ELECTRICAL SUPPLY	BUILDING MAINTENANCE & REPAIRS	579.51
19	45647	12/07/2023	CHK	114080	LOOMIS ARMORED US LLC	ARMORED CAR SERVICE	1,534.50
20	45648	12/07/2023	CHK	113908	MILNE ENTERPRISES INC	OPERATING TOOLS	499.77
21	45649	12/07/2023	CHK	114307	MILSOFT UTILITY SOLUTIONS INC	SOFTWARE MAINTENANCE	882.09
22	45650	12/07/2023	CHK	114384	MVA POWER INC	WAREHOUSE MATERIALS & SUPPLIES	33,913.23
23	45651	12/07/2023	CHK	113339	NORTH COAST ELECTRIC COMPANY	ENERGY SERVICES	3,899.64
24	45652	12/07/2023	CHK	114186	ONEBRIDGE BENEFITS INC	FLEX PLAN	50.00
25	45653	12/07/2023	CHK	100638	PERFECTION GLASS INC	ENERGY SERVICES	6,080.00
26	45654	12/07/2023	CHK	100426	POWER CITY ELECTRIC INC	PROJECT WORK	309,108.70
27	45655	12/07/2023	CHK	100411	RANCH & HOME INC	BUILDING MAINTENANCE & SUPPLIES	15.24
28	45656	12/07/2023	CHK	114358	ROYAL SWITCHGEAR MANUFACTURING CO	WAREHOUSE MATERIALS & SUPPLIES	348,120.00
29	45657	12/07/2023	CHK	106825	SEBRIS BUSTO JAMES	PROFESSIONAL SERVICES	2,400.00
30	45658	12/07/2023	CHK	100826	SMITH INSULATION INC	ENERGY SERVICES	2,446.00
31	45659	12/07/2023	CHK	114071	STUART C IRBY CO.	WAREHOUSE MATERIALS & SUPPLIES	75,653.92
32	45660	12/07/2023	CHK	112920	TACOMA SCREW PRODUCTS INC	OPERATING SUPPLIES	99.17
33	45661	12/07/2023	CHK	100143	TRI CITIES BATTERY INC	AUTO PARTS	61.17
34	45662	12/07/2023	CHK	112127	US BANK	PURCHASE & TRAVEL CARDS	8,941.64
35	45663	12/07/2023	CHK	111471	VERIZON WIRELESS SERVICES LLC	PHONE SERVICES	208.96
36	45664	12/07/2023	CHK	100290	WA PUBLIC UTILITY DISTRICT ASSOC	DUES & MEMEBERSHIP	9,137.00
37	45665	12/07/2023	CHK	114050	WBE TECHNOLOGIES LLC	BROADBAND MATERIALS & SUPPLIES	290.60
38	45666	12/07/2023	CHK	114239	WS2 INC	CONFERENCE ROOM AUDIO SYSTEM	19,373.85
39	45667	12/07/2023	CHK	90003	CUSTOMER REFUND	CUSTOMER REFUND	300.00

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#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
40	45668	12/14/2023	CHK	109927	ARAMARK UNIFORM SERVICES	MATS AND COVERALLS	162.80
41	45669	12/14/2023	CHK	100179	BENTON FRANKLIN CAC	PROFESSIONAL SERVICES	2,923.69
42	45670	12/14/2023	CHK	100515	CED	WAREHOUSE MATERIALS & SUPPLIES	8,099.33
43	45671	12/14/2023	CHK	112936	CENTURY LINK	PHONE SERVICES	406.75
44	45672	12/14/2023	CHK	100354	CITY OF CONNELL	PROFESSIONAL SERVICES	800.00
45	45673	12/14/2023	CHK	100360	CITY OF PASCO	UTILITY SERVICES	126.46
46	45674	12/14/2023	CHK	112903	CITY OF RICHLAND	UTILITY SERVICES	28.20
47	45675	12/14/2023	CHK	110413	COMPUNET INC	SOFTWARE MAINTENANCE	17,723.04
48	45676	12/14/2023	CHK	105071	DIRECT AUTOMOTIVE	OPERATING SUPPLIES	160.27
49	45677	12/14/2023	CHK	114077	EMPIRE INNOVATION GROUP LLC	FLEX PLAN	943.95
50	45678	12/14/2023	CHK	114428	FRANKLIN COUNTY	ENERGY SERVICES	32,653.00
51	45679	12/14/2023	CHK	100206	FRANKLIN COUNTY GRAPHIC	ADVERTISING	102.30
52	45680	12/14/2023	CHK	114112	GDS ASSOCIATES INC	PROFESSIONAL SERVICES	12,810.00
53	45681	12/14/2023	CHK	114007	GRIGG ENTERPRISES INC	BUILDING MAINTENANCE & SUPPLIES	206.12
54	45682	12/14/2023	CHK	113720	IDSC HOLDINGS LLC	OPERATING TOOLS	182.43
55	45683	12/14/2023	CHK	113201	NAPA	AUTO PARTS	15.15
56	45684	12/14/2023	CHK	100452	ORKIN EXTERMINATING INC	PEST CONTROL	2,257.39
57	45685	12/14/2023	CHK	104915	PEND OREILLE PUD	CWPU EXPENSE	1,466.58
58	45686	12/14/2023	CHK	100411	RANCH & HOME INC	BUILDING MAINTENANCE & SUPPLIES	87.11
59	45687	12/14/2023	CHK	113445	RELIABLE EQUIPMENT & SERVICE COMPANY, IN	OPERATING TOOLS	413.92
60	45688	12/14/2023	CHK	107211	RESER'S FINE FOODS INC	ENERGY SERVICES	90,311.00
61	45689	12/14/2023	CHK	112990	S & C ELECTRIC COMPANY	TRANSFORMER MAINTENANCE & SUPPLIES	193.63
62	45690	12/14/2023	CHK	114431	STATE ACCIDENT INSURANCE FUND CORP	INSURANCE PREMIUM	385.02
63	45691	12/14/2023	CHK	112920	TACOMA SCREW PRODUCTS INC	OPERATING SUPPLIES	136.74
64	45692	12/14/2023	CHK	114050	WBE TECHNOLOGIES LLC	BROADBAND MATERIALS & SUPPLIES	240.12
65	45693	12/14/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	774.52
66	45694	12/14/2023	CHK	90003	CUSTOMER REFUND	CUSTOMER REFUND	5,693.54
67	45695	12/14/2023	CHK	90003	CUSTOMER REFUND	CUSTOMER REFUND	55,705.95
68	45696	12/21/2023	CHK	100129	APOLLO SHEET METAL INC	SOFTWARE MAINTENANCE	7,497.77
69	45697	12/21/2023	CHK	109927	ARAMARK UNIFORM SERVICES	MATS AND COVERALLS	162.80
70	45698	12/21/2023	CHK	112734	ARNETT INDUSTRIES LLC	OPERATING TOOLS	1,562.19
71	45699	12/21/2023	CHK	100171	BASIN DISPOSAL INC	UTILITY SERVICES	1,582.35
72	45700	12/21/2023	CHK	104565	BIG BEND ELECTRIC COOPERATIVE INC	2023 POLE CONTACTS	18,060.00
73	45701	12/21/2023	CHK	100515	CED	WAREHOUSE MATERIALS & SUPPLIES	50,897.25
74	45702	12/21/2023	CHK	112936	CENTURY LINK	PHONE SERVICES	173.60
75	45703	12/21/2023	CHK	100362	CITY OF PASCO	OCCUPATION/UTILITY TAX	420,813.17
76	45704	12/21/2023	CHK	100360	CITY OF PASCO	UTILITY SERVICES	404.34
77	45705	12/21/2023	CHK	112961	CITY OF RICHLAND	FIBER LEASE	733.73
78	45706	12/21/2023	CHK	114430	COMPREHENSIVE HEALTHCARE	EMPLOYEE TRAINING	465.00

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#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
79	45707	12/21/2023	CHK	110413	COMPUNET INC	SOFTWARE MAINTENANCE	3,816.83
80	45708	12/21/2023	CHK	113124	D J'S ELECTRICAL INC	DOCK CREW WORK	190,391.72
81	45709	12/21/2023	CHK	114318	EMPLOYMENT SCREENING SERVICES INC	NEW HIRE BACKGROUND CHECKS	179.36
82	45710	12/21/2023	CHK	113903	ENERGY EDUCATION COUNCIL	DUES & MEMBERSHIP	2,798.00
83	45711	12/21/2023	CHK	100226	GOVERNMENT FINANCE OFFICERS ASSOC	DUES & MEMBERSHIP	149.00
84	45712	12/21/2023	CHK	114007	GRIGG ENTERPRISES INC	BUILDING MAINTENANCE & SUPPLIES	145.31
85	45713	12/21/2023	CHK	114031	HOME DEPOT USA	BUILDING MAINTENANCE & SUPPLIES	4,754.57
86	45714	12/21/2023	CHK	113720	IDSC HOLDINGS LLC	OPERATING TOOL	2,180.30
87	45715	12/21/2023	CHK	108667	KEVIN DOUGLAS BROWN	SUBSTATION GROUNDS MAINTENANCE	12,616.23
88	45716	12/21/2023	CHK	100006	LOURDES OCCUPATIONAL HEALTH CENTER	PROFESSIONAL SERVICES	120.00
89	45717	12/21/2023	CHK	113277	NEOGOV	SOFTWARE LICENSE	5,420.63
90	45718	12/21/2023	CHK	100394	OXARC INC	NITROGEN & OTHER GASES	90.50
91	45719	12/21/2023	CHK	100638	PERFECTION GLASS INC	ENERGY SERVICES	1,829.40
92	45720	12/21/2023	CHK	100426	POWER CITY ELECTRIC INC	PROJECT WORK	1,037,282.58
93	45721	12/21/2023	CHK	100411	RANCH & HOME INC	OPERATING SUPPLIES	90.57
94	45722	12/21/2023	CHK	114358	ROYAL SWITCHGEAR MANUFACTURING CO	WAREHOUSE MATERIALS & SUPPLIES	32,985.00
95	45723	12/21/2023	CHK	101679	STELLA-JONES CORPORATION	WAREHOUSE MATERIALS & SUPPLIES	81,878.50
96	45724	12/21/2023	CHK	114071	STUART C IRBY CO.	WAREHOUSE MATERIALS & SUPPLIES	168.25
97	45725	12/21/2023	CHK	114099	U.S. PAYMENTS LLC	KIOSK TRANSACTIONS AND FEES	1,816.60
98	45726	12/21/2023	CHK	100283	UTILITIES UNDERGROUND LOCATION CENTER	LOCATE SERVICES	313.47
99	45727	12/21/2023	CHK	114108	VERIZON CONNECT FLEET USA LLC	FLEET MANAGEMENT SERVICES	1,298.09
100	45728	12/21/2023	CHK	111471	VERIZON WIRELESS SERVICES LLC	METER READING & PHONE SERVICES	505.43
101	45729	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	122.68
102	45730	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	68.62
103	45731	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	275.65
104	45732	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	110.03
105	45733	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	70.21
106	45734	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	190.57
107	45735	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	152.03
108	45736	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	65.37
109	45737	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	170.92
110	45738	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	65.88
111	45739	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	369.98
112	45740	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	113.92
113	45741	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	92.74
114	45742	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	250.05
115	45743	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	171.38
116	45744	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	109.87
117	45745	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	8.07

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#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
118	45746	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	32.07
119	45747	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	95.29
120	45748	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	60.80
121	45749	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	59.83
122	45750	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	345.39
123	45751	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	22.04
124	45752	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	176.57
125	45753	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	30.05
126	45754	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	26.20
127	45755	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	179.56
128	45756	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	130.81
129	45757	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	117.01
130	45758	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	271.14
131	45759	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	103.89
132	45760	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	131.91
133	45761	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	132.24
134	45762	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	151.26
135	45763	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	104.22
136	45764	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	215.03
137	45765	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	264.35
138	45766	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	203.79
139	45767	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	433.44
140	45768	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	64.46
141	45769	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	9.73
142	45770	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	40.00
143	45771	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	60.89
144	45772	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	69.18
145	45773	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	168.27
146	45774	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	502.31
147	45775	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	152.82
148	45776	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	104.34
149	45777	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	30.98
150	45778	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	45.78
151	45779	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	60.37
152	45780	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	71.26
153	45781	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	36.60
154	45782	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	169.63
155	45783	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	254.84
156	45784	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	163.62

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157	45785	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	95.79
158	45786	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	56.92
159	45787	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	20.80
160	45788	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	50.06
161	45789	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	90.03
162	45790	12/21/2023	CHK	90003	CUSTOMER REFUND	CUSTOMER REFUND	150.00
163	45791	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	120.76
164	45792	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	75.79
165	45793	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	148.54
166	45794	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	130.25
167	45795	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	436.33
168	45796	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	41.81
169	45797	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	182.59
170	45798	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	47.44
171	45799	12/21/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	321.29
172	45800	12/22/2023	CHK	113359	WINTHROP CONSTRUCTION	AS PER AGREEMENT # 10350	120,000.00
173	45801	12/22/2023	CHK	114435	SUMMIT LAW GROUP, PLLC	AS PER AGREEMENT# 10350	120,000.00
174	45802	12/28/2023	CHK	100028	ABADAN	PRINTER MAINTENANCE	414.85
175	45803	12/28/2023	CHK	100116	AMERICAN PUBLIC POWER ASSOC INC	DUES & MEMBERSHIP	39,858.87
176	45804	12/28/2023	CHK	109927	ARAMARK UNIFORM SERVICES	MATS AND COVERALLS	162.80
177	45805	12/28/2023	CHK	112734	ARNETT INDUSTRIES LLC	OPERATING TOOLS	2,045.46
178	45806	12/28/2023	CHK	114378	CABLE HUSTON LLP	PROFESSIONAL SERVICES	5,058.50
179	45807	12/28/2023	CHK	100339	CENTURY LINK	PHONE SERVICES	201.43
180	45808	12/28/2023	CHK	101285	CITY OF PASCO	ROW PERMIT FEE	10.00
181	45809	12/28/2023	CHK	100360	CITY OF PASCO	UTILITY SERVICES	498.52
182	45810	12/28/2023	CHK	113124	D J'S ELECTRICAL INC	DOCK CREW WORK	98,564.23
183	45811	12/28/2023	CHK	112420	ELECTROMARK COMPANY	OFFICE FORMS	651.26
184	45812	12/28/2023	CHK	114077	EMPIRE INNOVATION GROUP LLC	FLEX PLAN	885.25
185	45813	12/28/2023	CHK	114136	FIRE FARMS LLC	SAFETY TRAINING	2,100.00
186	45814	12/28/2023	CHK	103521	GRAYBAR ELECTRIC INC	BROADBAND MATERIALS & SUPPLIES	2,243.63
187	45815	12/28/2023	CHK	113706	INTERMOUNTAIN CLEANING SERVICE INC	JANITORIAL SERVICES	8,502.50
188	45816	12/28/2023	CHK	102658	INTERMOUNTAIN MATERIALS TESTING INC	PROFESSIONAL SERVICES	1,325.25
189	45817	12/28/2023	CHK	114249	IRONSIDES CUSTOM GRINDING INC	WOOD GRINDING SERVICES	16.34
190	45818	12/28/2023	CHK	113394	JEREMY O'NIEL	CONSULTING SERVICES	225.00
191	45819	12/28/2023	CHK	113656	OWEN EQUIPMENT COMPANY	FORD F550 BUCKET TRUCK	205,821.00
192	45820	12/28/2023	CHK	100394	OXARC INC	NITROGEN & OTHER GASES	163.25
193	45821	12/28/2023	CHK	112987	PACIFIC STEEL & RECYCLING	OPERATING SUPPLIES	147.41
194	45822	12/28/2023	CHK	113084	PAPE MATERIAL HANDLING INC	2018 HYSTER ELECTRIC LIFT TRUCK	32,615.55
195	45823	12/28/2023	CHK	107520	RAILROAD MANAGEMENT COMPANY	POWER CROSSING PERMIT	3,249.63

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#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
196	45824	12/28/2023	CHK	113445	RELIABLE EQUIPMENT & SERVICE COMPANY, IN	OPERATING TOOLS	2,614.50
197	45825	12/28/2023	CHK	113334	RETTIG FORGETTE ILLER BOWERS, LLP	PROFESSIONAL SERVICES	106.25
198	45826	12/28/2023	CHK	106825	SEBRIS BUSTO JAMES	PROFESSIONAL SERVICES	7,380.00
199	45827	12/28/2023	CHK	114289	THE GOODYEAR TIRE & RUBBER COMPANY	ENERGY SERVICES	910.00
200	45828	12/28/2023	CHK	112955	TRANSFORMER TECHNOLOGIES LLC	TRANSFORMER TESTING	1,290.00
201	45829	12/28/2023	CHK	111471	VERIZON WIRELESS SERVICES LLC	PHONE SERVICES	104.48
202	45830	12/28/2023	CHK	114232	WASHINGTON CHAIN AND SUPPLY	OPERATING TOOLS	1,126.26
203	45831	12/28/2023	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	192.94
Total for Bank Account - 1 :							<u>3,818,157.11</u>
Grand Total :							3,818,157.11

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Check Register - Direct Deposit

12/01/2023 To 12/31/2023

Bank Account: 3 - FPU D REVENUE ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1	26597	12/01/2023	DD	114180	2001 SIXTH LLC	BROADBAND SERVICES	150.00
2	26598	12/01/2023	DD	100608	ALCAD STANDBY BATTERIES	WAREHOUSE MATERIALS & SUPPLIES	8,092.00
3	26599	12/01/2023	DD	113886	AMAZON CAPITAL SERVICES INC	OFFICE SUPPLIES	354.98
4	26600	12/01/2023	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	42,457.39
5	26601	12/01/2023	DD	114144	COGENT COMMUNICATIONS INC	BROADBAND SERVICES	2,035.63
6	26602	12/01/2023	DD	113663	DATA HARDWARE DEPOT LP	BROADBAND MATERIALS & SUPPLIES	1,758.85
7	26603	12/01/2023	DD	113248	ENVIRONMENTAL COMPLIANCE ASSOCIATES, LLC	PROFESSIONAL SERVICES	375.00
8	26604	12/01/2023	DD	113299	HRA VEBA TRUST	VEBA	4,969.82
9	26605	12/01/2023	DD	113658	KNOWBE4 INC	SOFTWARE PURCHASE	5,015.50
10	26606	12/01/2023	DD	113652	LEAF CAPITAL FUNDING LLC	PRINTER LEASE	594.07
11	26607	12/01/2023	DD	114319	MISSIONSQUARE 106134	DEFERRED COMPENSATION	987.69
12	26608	12/01/2023	DD	114295	MISSIONSQUARE 107514	DEFERRED COMPENSATION	13,209.41
13	26609	12/01/2023	DD	114294	MISSIONSQUARE 301671	DEFERRED COMPENSATION	16,550.00
14	26610	12/01/2023	DD	100572	MONARCH MACHINE & TOOL INC	TRANSFORMER MAINTENANCE	871.20
15	26611	12/01/2023	DD	100130	MOON SECURITY SERVICES INC	SECURITY MAINTENANCE	338.65
16	26612	12/01/2023	DD	113201	NAPA	AUTO PARTS	555.19
17	26613	12/01/2023	DD	113269	NISC	MAILING SERVICES & BANK FEES	1,248.36
18	26614	12/01/2023	DD	113294	PARAMOUNT COMMUNICATIONS, INC	FIBER DOCK CREW	3,774.99
19	26615	12/01/2023	DD	114282	RWC INTERNATIONAL LTD	AUTO PARTS	1,157.15
20	26616	12/01/2023	DD	113980	SANCHEZ BROS CONSTRUCTION LLC	ENERGY SERVICES	16,330.82
21	26617	12/01/2023	DD	100195	STAPLES ADVANTAGE	OFFICE SUPPLIES	888.69
22	26618	12/01/2023	DD	100291	STATE AUDITOR'S OFFICE	AUDIT SERVICES	4,042.50
23	26619	12/01/2023	DD	100478	TRI CITY HERALD	ADVERTISING	295.98
24	26620	12/01/2023	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	780.82
25	26621	12/01/2023	DD	1023	ANGEL H VALDOVINOS	EMPLOYEE REIMBURSEMENT	100.00
26	26622	12/01/2023	DD	1113	ROGER G WRIGHT	TRAVEL REIMBURSEMENT	287.16
27	26623	12/08/2023	DD	113886	AMAZON CAPITAL SERVICES INC	HARDWARE PURCHASE	117.04
28	26624	12/08/2023	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	17,309.66
29	26625	12/08/2023	DD	112693	BUILDERS HARDWARE & SUPPLY CO INC	BUILDING MAINTENANCE & SUPPLIES	1,309.84
30	26626	12/08/2023	DD	1003	CARLOS X CANDANOZA	3RD QUARTER CARES REFUND	5.69
31	26627	12/08/2023	DD	101625	CARLSON SALES INC	METER SHOP MATERIALS & SUPPLIES	207,572.11
32	26628	12/08/2023	DD	113072	CDW DIRECT LLC	BROADBAND MATERIALS & SUPPLIES	19.78
33	26629	12/08/2023	DD	1193	NOEL M CONTRERAS	3RD QUARTER CARES REFUND	7.24
34	26630	12/08/2023	DD	1082	LEANNE M CRIGLER	3RD QUARTER CARES REFUND	2.07
35	26631	12/08/2023	DD	113663	DATA HARDWARE DEPOT LP	BROADBAND MATERIALS & SUPPLIES	2,165.83
36	26632	12/08/2023	DD	1218	DAVID MONTELONGO	3RD QUARTER CARES REFUND	15.94
37	26633	12/08/2023	DD	1177	LINDA DEARMOND	3RD QUARTER CARES REFUND	6.96
38	26634	12/08/2023	DD	1101	LEVI E DEBORD	3RD QUARTER CARES REFUND	10.58
39	26635	12/08/2023	DD	1118	KELLI ESP	3RD QUARTER CARES REFUND	5.47
40	26636	12/08/2023	DD	107217	FINANCIAL CONSULTING SOLUTIONS GROUP INC	PROFESSIONAL SERVICES	5,721.25
41	26637	12/08/2023	DD	1034	RICHARD M FUHER	3RD QUARTER CARES REFUND	10.19

Accounts Payable

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12/01/2023 To 12/31/2023

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
42	26638	12/08/2023	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	117,617.44
43	26639	12/08/2023	DD	1192	DAVID J GUTIERREZ	3RD QUARTER CARES REFUND	52.83
44	26640	12/08/2023	DD	1030	SERGIO GUZMAN	3RD QUARTER CARES REFUND	5.77
45	26641	12/08/2023	DD	1028	DAVID HEBKY	3RD QUARTER CARES REFUND	10.14
46	26642	12/08/2023	DD	113159	HERCULES INDUSTRIES INC	OPERATING SUPPLIES	10,709.51
47	26643	12/08/2023	DD	1024	ANGELA M HERNANDEZ	3RD QUARTER CARES REFUND	5.81
48	26644	12/08/2023	DD	1219	JACOB TOLLEY	3RD QUARTER CARES REFUND	12.61
49	26645	12/08/2023	DD	1058	TROY J JAHNKE	3RD QUARTER CARES REFUND	7.07
50	26646	12/08/2023	DD	1133	LANCE KOSTOFF	3RD QUARTER CARES REFUND	5.69
51	26647	12/08/2023	DD	100448	LAWSON PRODUCTS INC	OPERATING SUPPLIES	4,206.86
52	26648	12/08/2023	DD	113652	LEAF CAPITAL FUNDING LLC	PRINTER LEASE	1,027.42
53	26649	12/08/2023	DD	1156	CELENE L LOCKARD	3RD QUARTER CARES REFUND	5.51
54	26650	12/08/2023	DD	1202	MAURILIO LOPEZ	3RD QUARTER CARES REFUND	7.69
55	26651	12/08/2023	DD	1224	TYLER MATTHEWS	3RD QUARTER CARES REFUND	23.86
56	26652	12/08/2023	DD	1213	CHARLES MATTLIN	3RD QUARTER CARES REFUND	12.09
57	26653	12/08/2023	DD	1162	MERARI MENDOZA	3RD QUARTER CARES REFUND	5.47
58	26654	12/08/2023	DD	113201	NAPA	AUTO PARTS	350.03
59	26655	12/08/2023	DD	1093	STUART J NELSON	3RD QUARTER CARES REFUND	4.30
60	26656	12/08/2023	DD	113294	PARAMOUNT COMMUNICATIONS, INC	FIBER DOCK CREW	15,378.63
61	26657	12/08/2023	DD	1098	SYLVIA T PERALES	3RD QUARTER CARES REFUND	5.66
62	26658	12/08/2023	DD	113168	PORTLAND GENERAL ELECTRIC COMPANY	COB INTERTIE	12,044.16
63	26659	12/08/2023	DD	1132	CARLOS REYES	3RD QUARTER CARES REFUND	4.27
64	26660	12/08/2023	DD	1229	AUSTIN RICHARDS	3RD QUARTER CARES REFUND	14.72
65	26661	12/08/2023	DD	1225	JAKOB STOLL	3RD QUARTER CARES REFUND	9.29
66	26662	12/08/2023	DD	1214	KEVIN STRICKLAND	3RD QUARTER CARES REFUND	11.15
67	26663	12/08/2023	DD	113684	SUSTAINABLE LIVING CENTER	LOW INCOME CERTIFICATIONS	500.00
68	26664	12/08/2023	DD	100120	TIMBER PRODUCTS INSPECTION INC	POLE INSPECTION	65.59
69	26665	12/08/2023	DD	100478	TRI CITY HERALD	ADVERTISING	292.87
70	26666	12/08/2023	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	603.73
71	26667	12/08/2023	DD	1144	AMY E VALENCIA	3RD QUARTER CARES REFUND	5.63
72	26668	12/08/2023	DD	1221	VICTOR FUENTES	3RD QUARTER CARES REFUND	33.58
73	26669	12/08/2023	DD	1195	NICOLE WYSCAVER	3RD QUARTER CARES REFUND	8.22
74	26758	12/15/2023	DD	113886	AMAZON CAPITAL SERVICES INC	HARDWARE PURCHASE	349.62
75	26759	12/15/2023	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	435.60
76	26760	12/15/2023	DD	100178	BENTON COUNTY PUD	RACK FEES RATTLESNAKE	677.80
77	26761	12/15/2023	DD	114144	COGENT COMMUNICATIONS INC	BROADBAND SERVICES	2,035.63
78	26762	12/15/2023	DD	102842	ENERGY NORTHWEST	NINE CANYON	160,852.91
79	26763	12/15/2023	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	4,514.99
80	26764	12/15/2023	DD	112981	GREEN ENERGY TODAY LLC	ESQUATZEL DAM PROJECT	25,781.74
81	26765	12/15/2023	DD	104189	H2 PRE-CAST INC	WAREHOUSE MATERIALS & SUPPLIES	18,240.75
82	26766	12/15/2023	DD	113299	HRA VEBA TRUST	VEBA	35,114.71

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83	26767	12/15/2023	DD	100245	IBEW LOCAL 77	UNION DUES	6,081.26
84	26768	12/15/2023	DD	112949	LUMEN	PHONE SERVICES	50.88
85	26769	12/15/2023	DD	113062	MAGNUM POWER LLC	PARTIAL RELEASE YEAR 2 RETAINAGE #9368	28,310.06
86	26770	12/15/2023	DD	114319	MISSIONSQUARE 106134	DEFERRED COMPENSATION	987.69
87	26771	12/15/2023	DD	114295	MISSIONSQUARE 107514	DEFERRED COMPENSATION	13,459.50
88	26772	12/15/2023	DD	114294	MISSIONSQUARE 301671	DEFERRED COMPENSATION	17,323.06
89	26773	12/15/2023	DD	113201	NAPA	AUTO PARTS	1,393.53
90	26774	12/15/2023	DD	101318	NORTHWEST OPEN ACCESS NETWORK	FIBER SERVICES	350.00
91	26775	12/15/2023	DD	112792	PASCO TIRE FACTORY INC	VEHICLE TIRES	2,309.72
92	26776	12/15/2023	DD	100300	PRINCIPAL BANK PCS	INSURANCE PREMIUM	125,385.91
93	26777	12/15/2023	DD	114312	RELIANCE STANDARD LIFE INSURANCE CO	INSURANCE PREMIUM	5,521.56
94	26778	12/15/2023	DD	114326	RELIANCE STANDARD LIFE INSURANCE CO /ASO	INSURANCE PREMIUM	106.25
95	26779	12/15/2023	DD	113980	SANCHEZ BROS CONSTRUCTION LLC	ENERGY SERVICES	37,343.77
96	26780	12/15/2023	DD	100195	STAPLES ADVANTAGE	OFFICE SUPPLIES	177.49
97	26781	12/15/2023	DD	100478	TRI CITY HERALD	ADVERTISING	347.41
98	26782	12/15/2023	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	1,594.64
99	26783	12/15/2023	DD	100277	UNITED WAY	UNITED WAY	164.26
100	26784	12/15/2023	DD	114173	WEG TRANSFORMERS USA LLC	WAREHOUSE MATERIALS & SUPPLIES	119,800.90
101	26786	12/22/2023	DD	112724	A W REHN & ASSOCIATES-COBRA	COBRA NOTIFICATION/FLEX FEE	66.00
102	26787	12/22/2023	DD	113886	AMAZON CAPITAL SERVICES INC	OPERATING SUPPLIES	762.28
103	26788	12/22/2023	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	28,273.69
104	26789	12/22/2023	DD	101890	COLUMBIA INDUSTRIES	SHREDDING SERVICES	218.02
105	26790	12/22/2023	DD	113746	MARTHA R CORTINAS	ADVERTISING	389.00
106	26791	12/22/2023	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	3,974.85
107	26792	12/22/2023	DD	113671	IKEGPS INC	SUBSCRIPTION RENEWAL	3,820.56
108	26793	12/22/2023	DD	101501	JIM'S PACIFIC GARAGES INC	OPERATING SUPPLIES	11.46
109	26794	12/22/2023	DD	100572	MONARCH MACHINE & TOOL INC	TRANSFORMER MAINTENANCE	46,889.62
110	26795	12/22/2023	DD	113201	NAPA	AUTO PARTS	5.25
111	26796	12/22/2023	DD	113269	NISC	MAILING SERVICES AND INSERT BILLING	47,838.50
112	26797	12/22/2023	DD	101318	NORTHWEST OPEN ACCESS NETWORK	FIBER SERVICES	8,821.14
113	26798	12/22/2023	DD	100366	NORTHWEST PUBLIC POWER ASSOCIATION	DUES & MEMBERSHIP	31,350.00
114	26799	12/22/2023	DD	111368	ONLINE INFORMATION SERVICES INC	UTILITY EXCHANGE REPORT	665.11
115	26800	12/22/2023	DD	113294	PARAMOUNT COMMUNICATIONS, INC	FIBER DOCK CREW	6,604.84
116	26801	12/22/2023	DD	112792	PASCO TIRE FACTORY INC	VEHICLE TIRES	868.06
117	26802	12/22/2023	DD	112792	PASCO TIRE FACTORY INC	VEHICLE TIRES	596.59
118	26803	12/22/2023	DD	113980	SANCHEZ BROS CONSTRUCTION LLC	ENERGY SERVICES	44,951.31
119	26804	12/22/2023	DD	113777	SMARSH INC	SOFTWARE MAINTENANCE	2.45
120	26805	12/22/2023	DD	110782	SUNBELT SOLOMON SERVICES LLC	TRANSFORMER MAINTENANCE & REPAIRS	68,221.77
121	26806	12/22/2023	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	903.33
122	26807	12/22/2023	DD	113245	WESTERN UNION FINANCIAL SERVICES INC	WESTERN UNION FEES	61.00
123	26895	12/29/2023	DD	102600	A-L COMPRESSED GASES	OPERATING SUPPLIES	232.15

Accounts Payable

Check Register - Direct Deposit

12/01/2023 To 12/31/2023

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
124	26896	12/29/2023	DD	113886	AMAZON CAPITAL SERVICES INC	OPERATING TOOLS	286.68
125	26897	12/29/2023	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	948.58
126	26898	12/29/2023	DD	112753	EAN HOLDINGS LLC	CAR RENTALS	117.44
127	26899	12/29/2023	DD	102842	ENERGY NORTHWEST	PACKWOOD	30,036.00
128	26900	12/29/2023	DD	1076	KATRINA B FULTON	TRAVEL REIMBURSEMENT	569.65
129	26901	12/29/2023	DD	114324	G&W ELECTRIC COMPANY	WAREHOUSE MATERIALS & SUPPLIES	88,435.52
130	26902	12/29/2023	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	7,091.57
131	26903	12/29/2023	DD	100229	GRAINGER INC	BUILDING MAINTENANCE & SUPPLIES	13.51
132	26904	12/29/2023	DD	113299	HRA VEBA TRUST	VEBA	9,768.48
133	26905	12/29/2023	DD	113442	ICE TRADE VAULT, LLC	COUNTERPARTY TRADE FEE	411.00
134	26906	12/29/2023	DD	101501	JIM'S PACIFIC GARAGES INC	OPERATING SUPPLIES	165.36
135	26907	12/29/2023	DD	1191	BRIAN C JOHNSON	TRAVEL REIMBURSEMENT	480.05
136	26908	12/29/2023	DD	113652	LEAF CAPITAL FUNDING LLC	PRINTER LEASE	1,057.65
137	26909	12/29/2023	DD	100080	MCCURLEY INTEGRITY DEALERSHIPS LLC	AUTO PARTS	134.27
138	26910	12/29/2023	DD	114319	MISSIONSQUARE 106134	DEFERRED COMPENSATION	987.69
139	26911	12/29/2023	DD	114295	MISSIONSQUARE 107514	DEFERRED COMPENSATION	13,502.07
140	26912	12/29/2023	DD	114294	MISSIONSQUARE 301671	DEFERRED COMPENSATION	17,156.57
141	26913	12/29/2023	DD	100572	MONARCH MACHINE & TOOL INC	TRANSFORMER MAINTENANCE	871.20
142	26914	12/29/2023	DD	100130	MOON SECURITY SERVICES INC	SECURITY MAINTENANCE	430.46
143	26915	12/29/2023	DD	113201	NAPA	AUTO PARTS	69.02
144	26916	12/29/2023	DD	113994	NCH CORPORATION	OPERATING SUPPLIES	648.83
145	26917	12/29/2023	DD	100444	PACIFIC NW UTILITIES CONFERENCE COMM	DUES & MEMBERSHIP	5,836.00
146	26918	12/29/2023	DD	113294	PARAMOUNT COMMUNICATIONS, INC	FIBER DOCK CREW	6,611.30
147	26919	12/29/2023	DD	1200	SCOTT RHEES	TRAVEL REIMBURSEMENT	322.60
148	26920	12/29/2023	DD	113980	SANCHEZ BROS CONSTRUCTION LLC	ENERGY SERVICES	22,583.47
149	26921	12/29/2023	DD	1051	ANDREA K SELL	TRAVEL REIMBURSEMENT	2.31
150	26922	12/29/2023	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	373.53
151	26923	12/29/2023	DD	114173	WEG TRANSFORMERS USA LLC	WAREHOUSE MATERIALS & SUPPLIES	59,900.45
Total for Bank Account - 3 :							<u>1,697,598.98</u>
Grand Total :							<u>1,697,598.98</u>

Franklin PUD - Write Off Report		
Write Off Report for the Month of:		Jan-24
Collection Agency:		Armada Corporation
#	Name	Amount
1	DAVID M MARTINEZ	\$ 367.29
2	DENNIS D ARMENTROUT	\$ 261.71
3	SCOTT DAVIS	\$ 228.17
4	KEEGAN CHETTY	\$ 210.73
5	DORIAN ARITA	\$ 198.99
6	BRITTANY R DEARING	\$ 191.58
7	ROCHELLE UBAY	\$ 187.52
8	KYLA F BAKER	\$ 168.14
9	ONICA F MARTIN	\$ 148.77
10	PHELICIA G MENDOZA	\$ 146.92
11	MICHAEL T MULLEN	\$ 142.30
12	AMBER HOLLAND	\$ 134.06
13	MARIA D BASURTO	\$ 121.16
14	AMANDA J BARRETT	\$ 120.60
15	EDGAR R FACIO	\$ 105.60
16	MARY WARWICK	\$ 91.69
17	MARSHA VALDEZ	\$ 88.39
18	STEPHANIE MC CORT	\$ 71.40
19	NICHOLAS MCLEAN	\$ 69.13
20	LEOPOLDO SANTIAGO ZAFRA	\$ 65.36
21	JUAN RAMON CUEVAS	\$ 53.59
22	TRAYBION DICKERSON	\$ 51.87
23	JERRY E CARGO	\$ 50.38
24	CHARLEEN SHOOPMAN	\$ 46.89
25	ANTHONY P CRUZ	\$ 43.28
26	MARIA S FLORES	\$ 41.37
27	JUAN GUTIERREZ	\$ 30.79
	Total	\$ 3,437.68
	Average amount per account:	\$ 127.32
	Gross bad debts as a percentage to	
	September 2023 monthly sales:	0.04%



Small Works Contracts Awarded in 2023 (\$50,000 to \$350,000)

Contract #	Contractor Name	Job Description	Amount	Date Awarded
10048	Pacific Pole Inspection LLC	Pole Testing and Treatment - Year 2	\$ 131,300.71	Monday, January 23, 2023
10151	Kaizen Construction	Colo Room 2 Expansion	\$ 64,949.77	Sunday, April 30, 2023
10162	Apollo Heating and Air	HVAC Maintenance and Repairs	\$ 57,342.00	Monday, July 3, 2023
10233	Intermountain Cleaning Services, Inc.	Janitorial Services - Year 1	\$ 71,600.00	Thursday, September 14, 2023
10248	Ray Poland & Sons	Demo at the CT Site	\$ 126,250.00	Thursday, August 17, 2023
10209	Boyd's Tree Services	Tree Trimming - Year 1	\$ 291,373.00	Tuesday, August 1, 2023

Public Works Contracts Awarded in 2023 (over \$350,000)

Contract #	Contractor Name	Job Description	Amount	Date Awarded
10115	DJs Electrical	Misc. Dock Crew Projects- 3 Year Contract	\$ 4,616,677.71	Wednesday, January 25, 2023
10208	Power City Electric Inc	Railroad Substation Labor	\$ 6,182,241.11	Wednesday, September 13, 2023
10262	DJs Electrical	Double Circuit for Railroad Substation	\$ 584,212.00	Tuesday, October 24, 2023
10303	Washington State Department of Enterprise Services	2024 Misc. Fiber Dock Crew Projects	\$ 679,522.00	Tuesday, December 12, 2023

Limited Public Works Contracts Awarded in 2023 (under \$50,000)

Quote #	Contractor Name	Job Description	Amount	Date Awarded
10282	Kevin's Custom Spray	Weed Spraying	\$ 14,200.00	Friday, December 8, 2023
198	Mustang Signs	Reader Board	\$ 44,747.39	Wednesday, March 8, 2023
206	Sierra Electric Inc	CT Colo Power Project	\$ 38,900.00	Wednesday, May 17, 2023
217	Design Sound NW	Engineering Conference Room Audio	\$ 21,086.47	Monday, October 16, 2023
219	Raines Electric Inc	Auditorium Electric Circuit	\$ 1,610.00	Tuesday, October 10, 2023
220	Campbell & Company	Replace RTU 1	\$ 22,305.00	Thursday, November 16, 2023

Copies of contracts are available by contacting Julie Anderson, Purchasing Manager, at (509) 546-5950 or purchasing@franklinpud.com

AGENDA ITEM 4

Franklin PUD Commission Meeting Packet
Agenda Item Summary

Presenter: Katrina Fulton
Finance & Customer Service Director
Date: January 23, 2024

☐ REPORTING ONLY
☐ FOR DISCUSSION
☒ ACTION REQUIRED

1. OBJECTIVE:

Adopting a Resolution Authorizing the Issuance and Sale of Electric Revenue Bonds in One or More Series in the Aggregate Principal Amount of Not to Exceed \$20,000,00 to Finance Improvements to the District's Electric System; Fixing the Form and Covenants of the Bonds; and Delegating Authority to the General Manager/CEO or his Designee to Approve the Final Terms of the Bonds.

2. BACKGROUND:

As part of the overall financial plan, the District periodically issues bonds to finance capital projects. Bond financing takes pressure off of near term rates, and equitably spreads the cost of assets out over their useful lives. The District's last bond issue was in 2020 and was comprised of \$17 million in new proceeds that was used for capital and approximately \$22 million that was used to refund earlier bonds.

The District's financial policy includes a leverage target called the debt to asset ratio; this ensures the District does not issue too much debt. As of December 31, 2023 the District is currently at 25%, which is well below the target of 40%.

The proposed bond issue is expected to be \$20 million and will be used to fund capital projects. Annual Debt Service on the proposed bonds is approximately \$6 million annually. Operating results for the past five years have been sufficient to support a significantly higher Debt Service payment.

Resolution 1405 authorizes the issuance and sale of electric revenue bonds, in one or more series, in the principal amount not to exceed \$20 million to finance improvements to the District's electric system and to refund certain outstanding bonds; fixing the form and covenants of the bonds; and delegating authority to approve the final terms of the bonds to the General Manager/CEO within the parameters as listed in *Article XV, Miscellaneous, Sale of 2024 Bonds*, of Resolution 1405 (see page 45). Adopting the Resolution will give the General Manager/CEO or his designee authority to approve the final terms of the bonds and execute the bond purchase agreement with the underwriter, RBC Capital Markets, LLC. Staff recommends the Commission adopt Resolution 1405 as presented.

3. SUGGESTED MOTION:

I move to adopt Resolution 1405 as presented.

PUBLIC UTILITY DISTRICT NO. 1 OF
FRANKLIN COUNTY, WASHINGTON
RESOLUTION NO. 1405

A RESOLUTION OF PUBLIC UTILITY DISTRICT NO. 1 OF
FRANKLIN COUNTY, WASHINGTON,

AUTHORIZING THE ISSUANCE AND SALE OF ELECTRIC REVENUE BONDS
IN ONE OR MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF
NOT TO EXCEED \$20,000,000 TO FINANCE OR REIMBURSE
IMPROVEMENTS TO THE DISTRICT'S ELECTRIC SYSTEM; FIXING THE
FORM AND COVENANTS OF THE BONDS; AND DELEGATING AUTHORITY
TO THE DESIGNATED REPRESENTATIVE TO APPROVE THE FINAL TERMS
OF THE BONDS.

Adopted on January 23, 2024

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RESOLUTION NO. 1405

**A RESOLUTION OF THE BOARD OF COMMISSIONERS OF PUBLIC UTILITY DISTRICT
NO. 1 OF FRANKLIN COUNTY, WASHINGTON,**

**AUTHORIZING THE ISSUANCE AND SALE OF ELECTRIC REVENUE BONDS IN ONE OR
MORE SERIES IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED
\$20,000,000 TO FINANCE OR REIMBURSE IMPROVEMENTS TO THE DISTRICT'S
ELECTRIC SYSTEM; FIXING THE FORM AND COVENANTS OF THE BONDS; AND
DELEGATING AUTHORITY TO THE DESIGNATED REPRESENTATIVE TO APPROVE THE
FINAL TERMS OF THE BONDS.**

WHEREAS, Public Utility District No. 1 of Franklin County, Washington (the "District"), a municipal corporation of the State of Washington, owns and operates an electric utility system within Franklin County, Washington (the "Electric System"); and

WHEREAS, the District has outstanding \$7,455,000 Electric Revenue Refunding Bonds, Series 2013B (Taxable) (the "2013B Bonds") issued pursuant to Resolution No. 1204 of the District adopted on June 25, 2013; and

WHEREAS, the District has outstanding \$15,690,000 Electric Revenue and Refunding Bonds, Series 2016A (the "2016A Bonds") issued pursuant to Resolution No. 1261 of the District adopted on August 23, 2016; and

WHEREAS, the District has outstanding \$6,055,000 Electric Revenue Bonds, Series 2020A (the "2020A Bonds") and \$30,840,000 Electric Revenue and Refunding Bonds, Series 2020B (Taxable) (the "2020B Bonds") issued pursuant to Resolution No. 1346 of the District adopted on October 27, 2020; and

WHEREAS, the Commission also deems it advisable to issue electric revenue bonds to finance various capital improvements to the Electric System; and

WHEREAS, the resolutions authorizing the issuance of the 2013B Bonds, the 2016A Bonds, the 2020A Bonds and the 2020B Bonds provide that additional electric revenue bonds may be issued on a parity with such bonds if certain conditions are met;

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Franklin County as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions.

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

“Additional Bonds” means any bonds issued on a parity with the 2013B Bonds, the 2016A Bonds, the 2020A Bonds, the 2020B Bonds and the 2024 Bonds pursuant to Article IV of this Resolution.

“Adjusted Net Revenues” means Net Revenues as calculated pursuant to subsection I of Section 4.2.

“Annual Debt Service” for any Fiscal Year means the sum of:

- A. the interest due in such Fiscal Year on all outstanding Bonds, excluding interest to be paid from the proceeds of the sale of the Bonds,
- B. the principal of all outstanding Serial Bonds due in such Fiscal Year,
- C. the Sinking Fund Requirement, if any, for such Fiscal Year, and
- D. any regularly scheduled District Payments, adjusted by any regularly scheduled Reciprocal Payments, during such Fiscal Year.

Except as provided in subsection L of Section 4.2, if the interest rate on any such Bonds is other than a fixed rate, the rate applicable at the time of computation shall be used.

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

“Authorized Denomination” means \$5,000 or any integral multiple thereof within a maturity of a Series.

“Average Annual Debt Service” means the amount determined by dividing (a) the sum of all interest and principal to be paid on outstanding Bonds from the date of determination to the last maturity date of such Bonds by (b) the number of Fiscal Years from and including the Fiscal Year in which the determination is made to the last Fiscal Year in which the sum of (i) the principal amount of Serial Bonds maturing in such Fiscal Year plus (ii) the Sinking Fund Requirement for such Fiscal Year exceeds 4% of the principal amount of Bonds outstanding as of the date of determination.

If the interest rate on any such Bonds is other than a fixed rate, the rate applicable at the time of computation shall be used, except as provided in subsection L of Section 4.2.

In the case of a Derivative Product, the amount of interest to be paid on outstanding Bonds shall be calculated to include the amount of any regularly scheduled District Payments adjusted by any regularly scheduled Reciprocal Payments.

In calculating the Average Annual Debt Service, the interest portions due may exclude the amount of any direct payment the District is expected to receive during such Fiscal Years with respect to any Additional Bonds for which the federal government will provide the District with a direct payment of a portion of the interest.

“Beneficial Owner” means any person that has or shares the power, directly or indirectly, to vote or consent with respect to, or to dispose of or make decisions concerning ownership of, any Bond (including persons holding Bonds through nominees, depositories or other intermediaries).

“Bond Fund” means the Electric System Revenue Bond Fund previously established by the District.

“Bond Register” means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each 2024 Bond.

“Bond Registrar” or “Registrar” means the Fiscal Agent, or any successor bond registrar selected by the District.

“Bondowners’ Trustee” means the trustee appointed pursuant to Section 11.2.

“Bonds” means the 2013B Bonds, the 2016A Bonds, the 2020A Bonds, the 2020B Bonds, the 2024 Bonds and any Additional Bonds. “Bonds” may include bonds, notes, warrants, certificates of indebtedness or any other evidence of indebtedness issued on a parity with the outstanding Bonds.

“Code” means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

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

“Construction Fund” means the funds or accounts of the District and used to finance costs of improvements to the Electric System, including the Improvements.

“Contingency and Replacement Account” means the account of that name in the Revenue Fund used to make up any deficiencies in the Reserve Account and for the other purposes described in Section 7.1.

“Derivative Facility” means a letter of credit, an insurance policy, a surety bond or other credit enhancement device, given, issued or posted as security for the District’s obligations under one or more Derivative Products.

“Derivative Payment Date” means any date specified in the Derivative Product on which a District Payment is due and payable under the Derivative Product.

“Derivative Product” means a written contract or agreement between the District and a third party in connection with the issuance of Bonds that has (or whose obligations are unconditionally guaranteed by a party that has), as of the date of the Derivative Product, at least an investment grade rating from a rating agency (the “Reciprocal Payor”) (provided, however, that if the District’s Bonds are rated by Moody’s Investors Service, such party shall have a rating by Moody’s Investors Service at least as high as that of the District), which provides that the District’s obligations thereunder will be conditioned on the performance by the Reciprocal Payor of its obligations under the agreement, and

A. under which the District is obligated to pay, on one or more scheduled and specified Derivative Payment Dates, the District Payments in exchange for the Reciprocal Payor's obligation to pay or to cause to be paid to the District, on scheduled and specified Derivative Payment Dates, the Reciprocal Payments;

B. for which the District's obligations to make District Payments may be secured by a pledge of and lien on the Revenues on an equal and ratable basis with the outstanding Bonds;

C. under which Reciprocal Payments are to be made directly into the Bond Fund;

D. for which the District Payments are either specified to be one or more fixed amounts or are determined as provided by the Derivative Product; and

E. for which the Reciprocal Payments are either specified to be one or more fixed amounts or are determined as set forth in the Derivative Product.

"Designated Representative" means the officer of the District appointed pursuant to this Resolution to serve as the District's designated representative in accordance with RCW 39.46.040(2).

"Distribution and Transmission Facilities" means the electric utility properties and assets, real and personal, tangible and intangible, now owned and operated by the District and used or useful in the transmission, distribution or sale of electric current or electric service, and business incidental thereto, including telecommunication facilities, and any additions, improvements and betterments thereto and extensions thereof hereafter constructed or acquired. Distribution and Transmission Facilities shall not include Generating Facilities.

"District" means Public Utility District No. 1 of Franklin County, Washington, a municipal corporation of the State of Washington.

"District Payment" means any payment (designated as such by a Supplemental Resolution) required to be made by or on behalf of the District under a Derivative Product and which is determined according to a formula set forth in the Derivative Product.

"DTC" means The Depository Trust Company, New York, New York, or its nominee.

"Electric System" means the Distribution and Transmission Facilities and any Generating Facilities hereafter acquired, but such Electric System shall not include any property and facilities as may hereafter be acquired or constructed and established as a separate utility system not financed from the Revenues except on a basis junior and inferior to the lien on Revenues pledged to pay and secure the Bonds, the revenue of which separate utility system may be pledged to the payment of revenue obligations issued to purchase, construct, condemn or otherwise acquire such separate utility system.

"Events of Default" means the events so defined in Section 11.1.

"Fiscal Agent" means the fiscal agent of the State, as the same may be designated by the State from time to time.

"Fiscal Year" means the Fiscal Year used by the District at any time. At the time of the adoption of this Resolution, the Fiscal Year is the 12-month period beginning January 1 of each year.

"Generating Facilities" means any electric utility properties and assets, real and personal, tangible and intangible, and used or useful in the generation of electric energy, hereafter acquired or constructed by the District and declared to be part of the Electric System, including any common undivided interest therein, related transmission facilities, and additions, improvements and betterments to and extensions of such properties and assets.

"Government Obligations" has the meaning given in RCW 39.53.010, as now in effect or as may hereafter be amended.

"Improvements" means those improvements to the Electric System authorized by Section 2.3.

"Issue Date" means, with respect to a Bond, the date of initial issuance and delivery of that Bond to the Underwriter in exchange for the purchase price of that Bond.

"Letter of Representations" means the Blanket Issuer Letter of Representations between the District and DTC, dated August 15, 1996, as it may be amended from time to time, and any successor or substitute letter relating to the operational procedures of the Securities Depository.

"MSRB" means the Municipal Securities Rulemaking Board.

"Net Revenues" means, for any period, the excess of Revenues over Operating Expenses for such period, excluding from the computation of Revenues (A) any profit or loss derived from the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets, or resulting from the early extinguishment of debt; (B) insurance proceeds; and (C) investment income restricted to a particular purpose inconsistent with its use for the payment of debt service.

"Official Statement" means an offering document, disclosure document, private placement memorandum or substantially similar disclosure document provided to purchasers and potential purchasers in connection with the initial offering of a Series of the 2024 Bonds in conformance with Rule 15c2-12 or other applicable regulations of the SEC.

"Operating Expenses" means (A) the District's expenses for operation and maintenance of the Electric System, and ordinary repairs of the Electric System, including all costs of delivering electric power and energy and payments (other than payments out of Bond proceeds) into reasonable reserves in the Revenue Fund for items of Operating Expenses and other costs the payment of which is not immediately required, and shall include, without limiting the generality of the foregoing, all costs of purchased power, rents, costs of transmission and distribution operation and maintenance expenses, administrative and general expenses, engineering expenses, legal and financial advisory expenses, required payments to pension, retirement, health and hospitalization funds, insurance premiums and any taxes or payments in lieu of taxes, all to the extent properly allocable to the Electric System; and (B) the fees and expenses of any paying agent or Bond Registrar or trustee appointed pursuant to this Resolution. Operating Expenses shall not include any costs or expenses for new construction, District Payments, interest or any allowance for depreciation or amortization or other non-cash expenses related to the marking to market of finance or energy-related contracts.

“Outstanding Bonds” means the 2013B Bonds, 2016A Bonds, 2020A Bonds and 2020B Bonds.

“Outstanding Parity Bond Resolutions” means Resolutions Nos. 1204, 1261 and 1346, authorizing the Outstanding Bonds.

“Owner” means, without distinction, the Registered Owner and the Beneficial Owner.

“Permitted Investments” means any investment or investment agreement permitted for funds of the District under the laws of the State of Washington as amended from time to time.

“Pricing Certificate” means the certificate of the Designated Representative with the final terms of the 2024 Bonds.

“Professional Utility Consultant” means the independent person(s) or firm(s) selected by the District having a favorable reputation for skill and experience with electric systems of comparable size and character to the Electric System in such of the following as are relevant to the purposes for which they are retained: (A) engineering and operations and (B) the design of rates.

“Project” means improvements to the Electric System, and other capital purposes, as deemed necessary and advisable by the District. Incidental costs incurred in connection with carrying out and accomplishing the Project, consistent with RCW 39.46.070, may be included as costs of the Project.

“Qualified Insurance” means any municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies), which insurance company or companies, as of the time of issuance of such policy or surety bond, are rated in one of the two highest rating categories by two nationally recognized rating agencies; provided that once the Outstanding Parity Bonds are no longer outstanding, such policy or surety bond may be rated in one of the highest two categories by one nationally recognized rating agency or its comparably recognized business successor.

“Qualified Letter of Credit” means any letter of credit issued by a financial institution for the account of the District on behalf of the owners of the Bonds, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in one of the highest two categories by two nationally recognized rating agencies; provided that once the Outstanding Parity Bonds are no longer outstanding, such letter of credit may be rated in one of the highest two categories by one nationally recognized rating agency or its comparably recognized business successor.

“Rating Agency” means any nationally recognized rating agency then maintaining a rating on the 2024 Bonds at the request of the District.

“Reciprocal Payment” means any payment (designated as such by a Supplemental Resolution) to be made to, or for the benefit of, the District under a Derivative Product by the Reciprocal Payor.

“Reciprocal Payor” means a party to a Derivative Product that is obligated to make one or more Reciprocal Payments thereunder.

“Record Date” means the Bond Registrar’s close of business on the 15th day of the month preceding an interest payment date. With respect to redemption of a 2024 Bond prior to its maturity, the Record Date shall mean the Bond Registrar’s close of business on the date on which the Bond Registrar sends the notice of redemption in accordance with Section 6.1.

“Registered Owner” means, with respect to a 2024 Bond, the person in whose name that 2024 Bond is registered on the Bond Register. For so long as the District utilizes the book-entry only system for the 2024 Bonds under the Letter of Representations, Registered Owner shall mean the Securities Depository.

“Reserve Account” means the account of that name in the Bond Fund.

“Resolution” means this Resolution, including any amendments or supplements thereto.

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

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

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

“Revenue Fund” means the fund of that name described in Section 7.1.

“Revenues” means all income (including investment income), receipts and revenues derived by the District through the ownership or operation of the Electric System and all other commodities, services and facilities sold, furnished or supplied by the District through the ownership or operation of the Electric System, together with the proceeds received by the District directly or indirectly from the sale, lease or other disposition of any of the properties, rights or facilities of the Electric System, and together with the investment income earned on money held in any fund or account of the District, including any bond redemption funds and the accounts therein, in connection with the ownership and operation of the Electric System (but exclusive of income derived from investments irrevocably pledged to the payment of any specific revenue bonds of the District, such as bonds heretofore or hereafter refunded, or any Bonds defeased pursuant to Section 15.2 or other bonds defeased, or the payment of which is provided for under any similar provision of any other bond resolution of the District), but shall not include any income derived by the District through the ownership and operation of any facilities that may hereafter be purchased, constructed or otherwise acquired by the District as a separate utility system.

“Rule 15c2-12” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

“SEC” means the United States Securities and Exchange Commission.

“Securities Depository” means DTC, any successor thereto, any substitute securities depository selected by the District that is qualified under applicable laws and regulations to provide the services proposed to be provided by it, or the nominee of any of the foregoing.

“Serial Bonds” means Bonds other than Term Bonds.

“Series of the 2024 Bonds” or “Series” means a series of the 2024 Bonds issued pursuant to this Resolution.

“Sinking Fund Requirement” means, for any Fiscal Year, the principal amount of Term Bonds required to be purchased, redeemed or paid at maturity in such Fiscal Year as established by the resolution of the District authorizing the issuance of such Term Bonds.

“Sinking Fund Requirement Date” means, for any Fiscal Year, the date by which the Sinking Fund Requirement for such Fiscal Year must be met.

“State” means the State of Washington.

“Supplemental Resolution” means any resolution amending, modifying or supplementing the provisions of this Resolution, including any resolution providing for the issuance of Additional Bonds.

“Term Bonds” means Bonds of any principal maturity which are subject to mandatory redemption or for which mandatory sinking fund payments are required.

“Treasurer” means the Treasurer of the District as designated, from time to time, by resolution of the Commission.

“2013B Bonds” means the outstanding Electric Revenue Refunding Bonds, Series 2013B (Taxable), authorized to be issued by Resolution No. 1204 and issued in the original principal amount of \$9,155,000.

“2016A Bonds” means the outstanding Electric Revenue and Refunding Bonds, Series 2016A, authorized to be issued by Resolution No. 1261 and issued in the original principal amount of \$16,870,000.

“2020A Bonds” means the outstanding Electric Revenue Bonds, Series 2020A authorized to be issued by Resolution No. 1346 and issued in the original principal amount of \$6,055,000.

“2020B Bonds” means the outstanding Electric Revenue and Refunding Bonds, Series 2020B (Taxable) authorized to be issued by Resolution No. 1346 and issued in the original principal amount of \$32,135,000.

“2024 Bonds” means the Electric Revenue Bonds, Series 2024 issued pursuant to this Resolution.

“Undertaking” means the undertaking to provide continuing disclosure set forth in Section 14.1.

“Underwriter” means RBC Capital Markets, LLC of Seattle, Washington, or the corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as purchaser in a private placement, underwriter or placement agent in a negotiated sale or awarded as the successful bidder in a competitive sale of any Series of the 2024 Bonds.

Section 1.2 Interpretation. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice versa unless the context shall otherwise indicate. Reference to Articles, Sections and other subdivisions of this Resolution are to the Articles, Sections and other subdivisions of this Resolution as originally adopted unless expressly stated to the contrary. The headings or titles of the Articles and Sections hereof, and the Table of Contents appended hereto, are for convenience of reference only and shall not define or limit the provisions hereof.

ARTICLE II

FINDINGS AND DETERMINATIONS

Section 2.1 Revenues Sufficient. The Commission hereby finds that the Revenues to be derived by the District from the operation of the Electric System at the rates to be charged for the electricity furnished thereby will be sufficient in the judgment of the Commission to meet all expenses of operation and maintenance, and to make all necessary repairs, replacements and renewals thereof, and to permit the setting aside out of such Revenues into the Bond Fund of such amounts as may be required to pay the principal of and interest on the Outstanding Bonds and the 2024 Bonds as the same become due and payable.

Section 2.2 Due Regard. The Commission hereby finds that due regard has been given to the cost of the operation and maintenance of the Electric System and that it has not obligated the District to set aside into the Bond Fund for the account of the Bonds, a greater amount of the revenues and proceeds of the Electric System than in its judgment will be available over and above such cost of maintenance and operation.

Section 2.3 Plan and System. The District shall acquire and construct capital improvements to the Electric System, including building and upgrading substations and transmission lines, as described in the District’s Capital Improvement Plan (the “Improvements”). The Improvements constitute a “Plan” for the purposes of RCW 54.24.018. The Commission hereby adopts the Plan, the estimated cost of which is approximately \$20,000,000. Any excess costs of the Plan not paid from Bond proceeds will be paid from other District funds.

Section 2.4 Compliance with Parity Conditions. The Commission hereby finds and determines as required by Section 4.2 of the Outstanding Parity Bond Resolutions as follows:

A. At the time of issuance of the 2024 Bonds, there will be no deficiency in the Bond Fund and no Event of Default will have occurred and be continuing.

B. The District shall have on file at or prior to the closing of the 2024 Bonds a certificate of the Treasurer of the District as required by such resolutions.

Section 2.5 Best Interests of the District. The Commission hereby finds that it is in the best interests of the District and the customers of the Electric System that the District issue the 2024 Bonds for the purpose of financing or reimbursing the cost of the Improvements.

ARTICLE III

AUTHORIZATION AND ISSUANCE OF 2024 BONDS

Section 3.1 Authorization of 2024 Bonds. The District shall issue and sell the 2024 Bonds in the aggregate principal amount of not to exceed \$20,000,000. The 2024 Bonds are hereby designated "Electric Revenue Bonds, Series 2024." The 2024 Bonds shall be in fully registered form in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered numerically as to each maturity. The 2024 Bonds shall be issued in one or more Series with appropriate designations as determined by the Designated Representative as provided in Section 15.5.

Section 3.2 Additional Provisions of 2024 Bonds. The 2024 Bonds shall be dated the date of their delivery. The 2024 Bonds shall be fully registered as to both principal and interest, shall be in denominations of \$5,000 or any integral multiple thereof within a Series, provided that no 2024 Bond shall represent more than one maturity of a Series, and shall be numbered separately in such manner and with any additional designation as the Bond Registrar deems necessary for purposes of identification.

Interest on the 2024 Bonds shall be payable as provided in Section 5.1. Interest shall be calculated based on a year of 360 days and 12 30-day months.

The Bond Register shall be maintained by the Bond Registrar, and shall contain the name and mailing address of the Registered Owner or Owners of each 2024 Bond or nominee of such Registered Owner or Owners and the principal amount and number of 2024 Bonds held by each Registered Owner or nominee.

Section 3.3 Reservation of Right to Purchase. The District reserves the right to use money in the Revenue Fund or any other funds legally available therefor at any time to purchase any of the 2024 Bonds for cancellation at any time and at any price.

Any money that is to be applied to the purchase or redemption of 2024 Bonds shall, prior to such purchase or redemption, be transferred to and deposited in the Bond Fund to the credit of the appropriate account therein.

Section 3.4 Redemption of 2024 Bonds.

A. Optional Redemption. The Designated Representative may designate certain maturities of the 2024 Bonds as being subject to redemption at the option of the District prior to their respective maturities, as will be set forth in the Pricing Certificate. For the purpose of selection of 2024 Bonds for redemption, each \$5,000 of principal amount of 2024 Bonds shall be treated as a separate Bond. If less than all the 2024 Bonds of an entire maturity are to be redeemed, the 2024 Bonds to be redeemed shall be chosen in such manner as the Bond Registrar or DTC, as appropriate, shall determine.

Section 3.5 Mandatory Redemption. The Designated Representative may approve the designation of certain maturities of the 2024 Bonds as Term Bonds as will be set forth in the

Pricing Certificate. Amounts used to purchase or redeem 2024 Bonds that are Term Bonds shall be credited against mandatory sinking fund installments by lot or consistent with DTC's procedures.

Section 3.6 Derivative Products. The following shall be conditions precedent to the use of any Derivative Product on a parity with any Bonds under this Resolution:

A. General Parity Tests. The Derivative Product must satisfy the requirements for Additional Bonds described in Section 4.2 taking into consideration regularly scheduled District Payments and regularly scheduled Reciprocal Payments under the Derivative Product (without regard to any termination payments). Termination payments owed pursuant to a Derivative Product shall be subordinate to and shall not be made on a parity with the Bonds.

B. Opinion of Bond Counsel. The District shall obtain an opinion of Bond Counsel on the due authorization and execution of such Derivative Product, the validity and enforceability thereof and opining that the action proposed to be taken is authorized or permitted by this Resolution or the applicable provisions of any Supplemental Resolution and will not adversely affect the excludability for federal income tax purposes of the interest on any outstanding Bonds.

C. Payments. Each Derivative Product shall set forth the manner in which the District Payments and Reciprocal Payments are to be calculated and a schedule of Derivative Payment Dates.

Section 3.7 Supplemental Resolutions to Govern Derivative Products. Prior to entering into a Derivative Product, the District shall adopt a Supplemental Resolution, which shall:

A. establish general provisions for the rights of providers of Derivative Products or Derivative Facilities; and

B. set forth such other matters as the District deems necessary or desirable in connection with the management of Derivative Products as are not clearly inconsistent with the provisions of this Resolution.

ARTICLE IV

ISSUANCE OF ADDITIONAL BONDS

Section 4.1 Authorization of Series of Additional Bonds. Before any series of Additional Bonds shall be issued under the provisions of this Article, the District shall adopt a resolution or resolutions authorizing the issuance of such bonds, providing for the amount and the details thereof, describing in general terms the purpose or purposes for which such bonds are to be issued and specifying the amount, if any, of the proceeds of such bonds to be deposited to the credit of the Construction Fund or to another fund for the payment of capitalized interest on such bonds and to the Reserve Account; provided, however, that deposits to the Reserve Account shall be provided for as required under subsection D of Section 7.2. The bonds of each series issued under the provisions of this Section shall be designated "Electric Revenue [and] [Refunding] Bonds, Series _____", shall be in such denominations, shall be dated, shall bear interest at a rate or rates (including variable rates) not exceeding the maximum rate then permitted by law, shall be payable, both as to principal and interest, at such place or places, shall mature in such year or years, shall be made redeemable at such times and prices (subject to the provisions of this Resolution), shall be numbered, shall have such paying agent, and any Term Bonds of such

Series shall have such amortization requirements, all as may be provided by resolution or resolutions adopted by the District prior to the issuance of such bonds.

Section 4.2 Additional Bonds; Resource Obligations.

A. Additional Bonds may be issued payable from the Bond Fund on a parity with the Bonds and secured by an equal charge and lien on the Revenues and other money, for any lawful purpose of the District; provided that, (i) except as to Bonds issued pursuant to subsection E of Section 4.2, at the time of the issuance of such Additional Bonds, there is no deficiency in the Bond Fund, and no Event of Default has occurred and is continuing, and (ii) the requirements of the applicable provisions of this Section 4.2 are complied with.

B. Additional Bonds may be issued for any lawful purpose of the District if the following requirements are met. A certificate signed by the Treasurer of the District shall set forth:

(i) the amount of the Net Revenues for any 12 consecutive months of the 24 months prior to the date of the issuance of such Additional Bonds;

(ii) the amount of the maximum Annual Debt Service thereafter on account of all Bonds then outstanding under this Resolution and the Additional Bonds then to be issued hereunder; and

(iii) the percentage derived by dividing the amount shown in (i) above by the amount shown in (ii) above, and shall state that such percentage is not less than 125%.

C. Additional Bonds may also be issued for any lawful purpose of the District if the following requirements are met. A certificate signed by a Professional Utility Consultant and filed with the Secretary of the District shall set forth:

(i) the amount of the Adjusted Net Revenues computed as provided in subsection I of Section 4.2;

(ii) the amount of the maximum Annual Debt Service thereafter on account of all Bonds then outstanding under this Resolution and the Additional Bonds then to be issued hereunder; and

(iii) the percentage derived by dividing the amount shown in (i) above by the amount shown in (ii) above, and shall state that such percentage is not less than 125%.

D. Additional Bonds may also be issued for the purpose of paying part of the costs of Distribution and Transmission Facilities or Generating Facilities for which Bonds have theretofore been issued, if a certificate is signed by a Professional Utility Consultant and filed with the Secretary of the District, which shall comply with the requirements of paragraph C above or shall state that the issuance of such Additional Bonds is necessary to complete such facilities and that the completion contributes to the efficient and economic operation of the Electric System.

E. If at any time the District shall determine that the money available for such purpose in the Bond Fund will not be sufficient for paying at their maturity any Serial Bonds or any Sinking Fund Requirement which will mature or become payable within one year thereafter, Additional Bonds may be issued for the purpose of providing funds to refund such Bonds and to pay the interest to accrue thereon to their maturity, or to pay such Sinking Fund Requirements, and any

expenses in connection therewith. Such Bonds shall mature in a year not earlier than one year after the last maturity of the Bonds of such series and be made redeemable at such times and prices (subject to the provisions of Article VI of this Resolution) as may be provided by the resolution or resolutions adopted by the District and providing for the issuance of such Bonds.

F. Additional Bonds may also be issued from time to time for the purpose of providing funds, with any other available funds, for retiring at or prior to their maturity or maturities any or all of the outstanding Bonds of any series, including the payment of any redemption premium thereon, and, if deemed necessary by the District, for paying the interest to accrue thereon to the date fixed for their retirement and any expenses incident to the issuance of such Additional Bonds.

G. Additional Bonds issued under subsections E or F above shall not be delivered unless the proceeds (excluding any accrued interest but including any premium) of such Additional Bonds, together with any other money which has been made available for such purposes, and the principal of and the interest on the investment of such proceeds or any such money, shall be sufficient to pay the principal of and the redemption premium, if any, on the Bonds to be refunded and the interest which will become due and payable on or prior to the date of their payment or redemption, and the expenses incident to the issuance of such Additional Bonds.

If such Additional Bonds are to be issued pursuant to subsection F of Section 4.2 above:

(i) there shall be filed with the District a certificate signed by the Treasurer of the District showing that the Annual Debt Service for any Fiscal Year thereafter shall not be increased by more than \$5,000 by reason of the issuance of the Additional Bonds, or

(ii) There shall be filed with the District a certificate signed by a Professional Utility Consultant setting forth:

(a) the amount of the Adjusted Net Revenues computed as provided in subsection I of Section 4.2;

(b) the amount of the maximum Annual Debt Service thereafter on account of all Bonds to be outstanding after the issuance of such Additional Bonds, including the Additional Bonds to be issued hereunder; and

(c) the percentage derived by dividing the amount shown in (a) above by the amount shown in (b) above and stating that such percentage is not less than 125%; or

(iii) There may be filed with the District a certificate signed by the Treasurer in accordance with subsection B of this Section.

H. In rendering any certificate under this Section, the Professional Utility Consultant may rely upon, and such certificate shall have attached thereto, financial statements of the Electric System, certified by the chief financial officer of the District, showing income and expenses for the period upon which the same are based and a balance sheet as of the end of such period, and similar certified statements by the Office of the State Auditor of the State of Washington (or any successor thereto), or by an independent certified public accountant, for as much of said period as any examination by them has been made and completed.

In connection with the issuance of any Bonds pursuant to subsections C, D and G of this Section, the certificate of the Professional Utility Consultant hereinabove referred to shall be

conclusive and the only evidence required to show compliance with the provisions and requirements of said subsections.

I. For the purposes of the certificates required by subsections C and G of Section 4.2 this Resolution, Adjusted Net Revenues shall be computed by the Professional Utility Consultant as follows:

(i) The Net Revenues for any 12 consecutive months (selected by the District) out of the 24 months prior to the date of issuance of the Additional Bonds (such 12-month period being herein called the "Base Period") may be adjusted:

(a) to reflect any changes in Net Revenues for the Base Period which would have occurred if the schedule of rates and charges in effect at the time of the computation (or approved by the Commission as of the time of such computation and to become effective within 6 months thereof) had been in effect during the portion of the Base Period in which such schedule was not in effect;

(b) to reflect a full 12 months of Net Revenues from any customers of the Electric System added prior to the computation date; and

(c) to reflect any changes in Net Revenues estimated to be received as a result of, and upon completion of, any facilities under construction or to be acquired, constructed or installed as a part of the Electric System from the proceeds of any Bonds.

J. Nothing contained herein shall prevent the District from refunding at one time all of the Bonds then outstanding. Nothing contained herein shall prevent the District from issuing obligations payable from a lien on the Revenues which is junior and inferior to the Bonds.

K. Additional Bonds may be issued from time to time without complying with the requirements set forth above if, in the opinion of the Professional Utility Consultant, as evidenced by a certificate filed with the District, it is necessary to repair any damage or loss to the Electric System or if the Electric System has been destroyed or damaged by disaster or unanticipated event to such an extent that it cannot be operated; provided, however, that the proceeds of any Additional Bonds issued for such purpose may only be used to return the Electric System to, or to maintain the Electric System at, substantially its former or then operating capacity; and provided further, that in the case of repair, such Additional Bonds may be issued only to the extent that insurance proceeds from such damage or loss are insufficient for the accomplishment of such purpose.

L. In calculating Annual Debt Service for purposes of this Section, if the interest rate on any Bonds is other than a fixed rate, the rate applicable at the time of computation shall be used unless such rate is less than the most recently published Bond Buyer's Revenue Bonds Index for municipal revenue bonds, in which case the rate stated by such index shall be used. If such index is no longer published, another nationally recognized index for municipal revenue bonds maturing in 20 to 30 years may be used.

M. Nothing in this Resolution shall prevent the District from entering into contracts to purchase energy, capacity, capability, reserves, conservation or services or from authorizing and issuing bonds, notes, certificates or other obligations or evidences of indebtedness, other than Bonds, to acquire or construct facilities or resources for the generation of power and energy, or for the conservation, transformation or transmission of power and energy, and any incidental

properties to be constructed or acquired in connection therewith, which facilities or resources shall be a separate system and which contractual obligations, bonds or other obligations or evidences of indebtedness shall be payable solely from the revenues or other income derived from the ownership or operation of such separate system. Costs associated with any such contracts or separate system may be declared by resolution of the Commission to be a Resource Obligation of the Electric System provided that the following requirements shall be met at the time of such declaration:

(i) No Event of Default has occurred and is continuing.

(ii) There shall have been filed with the Secretary of the Commission a certificate of a Professional Utility Consultant stating that the additional source of power and energy or conservation from such Resource Obligation is consistent with sound utility power supply planning; and

(iii) There shall have been filed with the Secretary of the Commission a report of a Professional Utility Consultant stating that estimated annual Net Revenues for the second full Fiscal Year after the date of initial operation of the facilities, costs of which are to be financed as a Resource Obligation, or after the date of first delivery of energy, capacity, reserves or services pursuant to a contract, costs of which are declared to be a Resource Obligation, as the case may be, shall be at least equal to 125% of maximum Annual Debt Service in any future Fiscal Year. In estimating Net Revenues, the Professional Utility Consultant shall base such estimate on factors the Professional Utility Consultant deems to be reasonable and shall treat the Resource Obligation as an Operating Expense.

(iv) In the event that the Resource Obligation is a contract to purchase energy, capacity, reserves or services, there shall have been filed with the Secretary of the Commission opinions of counsel to the District and all other parties to the contract, respectively, which respective opinions state that each such party to such contract has all requisite right, power and authority to execute and deliver such contract and to perform its obligations thereunder and that such contract constitutes a legally valid and binding obligation of such party thereto.

ARTICLE V

GENERAL TERMS AND PROVISIONS OF BONDS

Section 5.1 Execution and Payment of Bonds. The 2024 Bonds shall be executed on behalf of the District with the manual or facsimile signature of the President or the Vice President of the Commission and attested with the manual or facsimile signature of the Secretary thereof, and the seal of the District shall be impressed or imprinted on each of the Bonds. In case any of the officers who shall have signed, attested or registered any of the 2024 Bonds shall cease to be such officer before such 2024 Bonds have been actually issued and delivered, such 2024 Bonds shall be valid nevertheless and may be issued by the District with the same effect as though the persons who had signed, attested or registered such 2024 Bonds had not ceased to be such officers. The 2024 Bonds shall be payable as to principal, premium, if any, and interest in lawful money of the United States of America and, except as otherwise provided in Section 5.4 in respect of the payment of interest, shall be payable at the principal office of the Bond Registrar.

Only such 2024 Bonds as shall bear thereon a Certificate of Authentication in the form set forth in Section 13.1, manually executed by the Bond Registrar or its duly designated agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution. Such Certificate

of Authentication shall be conclusive evidence that the 2024 Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

Section 5.2 Ownership of Bonds. The District, the Bond Registrar and any other person may treat the Registered Owner of any Bond as the absolute owner of such Bond for the purpose of paying the principal thereof, and premium, if any, and interest thereon and for all other purposes, and neither the District nor the Bond Registrar shall be bound by any notice or knowledge to the contrary, whether such Bond or the interest thereon shall be overdue or not. All payments of or on account of interest to any Registered Owner (or to his registered assigns), and all payments of or on account of principal to any Registered Owner of any 2024 Bond, shall be valid and effectual and shall be a discharge of the District and Bond Registrar in respect of the liability upon the 2024 Bond or claims for principal or interest, as the case may be, to the extent of the sum or sums paid.

Section 5.3 Book-Entry Form; Registrar; Exchanges and Transfers.

A. Registration of 2024 Bonds. Each 2024 Bond shall be issued only in registered form as to both principal and interest and the ownership of each 2024 Bond shall be recorded on the Bond Register.

B. Bond Registrar; Duties. The Fiscal Agent is appointed as initial Bond Registrar. The Bond Registrar shall keep, or cause to be kept, sufficient books for the registration and transfer of the Bonds, which shall be open to inspection by the District at all times. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver 2024 Bonds transferred or exchanged in accordance with the provisions of the 2024 Bonds and this Resolution, to serve as the District's paying agent for the 2024 Bonds and to carry out all of the Bond Registrar's powers and duties under this Resolution. The Bond Registrar shall be responsible for its representations contained in the Bond Registrar's Certificate of Authentication on each 2024 Bond. The Bond Registrar may become an Owner with the same rights it would have if it were not the Bond Registrar and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as members of, or in any other capacity with respect to, any committee formed to protect the rights of Owners.

C. Bond Register; Transfer and Exchange. The Bond Register shall contain the name and mailing address of each Registered Owner and the principal amount and number of each 2024 Bond held by each Registered Owner. A 2024 Bond surrendered to the Bond Registrar may be exchanged for a 2024 Bond or 2024 Bonds in any Authorized Denomination of an equal aggregate principal amount and of the same Series, interest rate and maturity. A 2024 Bond may be transferred only if endorsed in the manner provided thereon and surrendered to the Bond Registrar. Any exchange or transfer shall be without cost to the Owner or transferee. The Bond Registrar shall not be obligated to exchange any 2024 Bond or transfer Registered Ownership during the period between the applicable Record Date and the next upcoming interest payment or redemption date.

D. Securities Depository; Book-Entry Only Form. If a 2024 Bond is to be issued in book-entry form, DTC shall be appointed as initial Securities Depository and each such 2024 Bond initially shall be registered in the name of Cede & Co., as the nominee of DTC. Each 2024 Bond registered in the name of the Securities Depository shall be held fully immobilized in book-entry only form by the Securities Depository in accordance with the provisions of the Letter of Representations. Registered ownership of any 2024 Bond registered in the name of the

Securities Depository may not be transferred except: (i) to any successor Securities Depository; (ii) to any substitute Securities Depository appointed by the District; or (iii) to any person if the 2024 Bond is no longer to be held in book-entry only form. Upon the resignation of the Securities Depository, or upon a termination of the services of the Securities Depository by the District, the District may appoint a substitute Securities Depository. If (i) the Securities Depository resigns and the District does not appoint a substitute Securities Depository, or (ii) the District terminates the services of the Securities Depository, the 2024 Bonds no longer shall be held in book-entry only form and the Registered Ownership of each 2024 Bond may be transferred to any person as provided in this Resolution.

Neither the District nor the Bond Registrar shall have any obligation to participants of any Securities Depository or the persons for whom they act as nominees regarding accuracy of any records maintained by the Securities Depository or its participants. Neither the District nor the Bond Registrar shall be responsible for any notice that is permitted or required to be given to a Registered Owner except such notice as is required to be given by the Bond Registrar to the Securities Depository.

Section 5.4 Payment of 2024 Bonds and Interest. Payment of the interest on each 2024 Bond shall be made by the Bond Registrar on each interest payment date to the person whose name appears on the Bond Register as the Registered Owner thereof, by check or draft mailed to such Registered Owner at the address as it appears on the Bond Register as of the Record Date prior to such interest payment date.

The principal of, premium, if any, and interest on the 2024 Bonds shall be paid in lawful money of the United States of America. For so long as all outstanding 2024 Bonds are registered in the name of Cede & Co. or its registered assign, payments of principal and interest thereon shall be made as provided in the Letter of Representations. All such payments shall be valid and shall satisfy and discharge the liability of the District upon such 2024 Bonds to the extent of the amount or amounts so paid.

In the event that the 2024 Bonds are no longer registered in the name of Cede & Co. or its registered assign, the principal and premium, if any, on such 2024 Bonds shall be payable at the office of the Bond Registrar.

All payments of or on account of interest to any Registered Owner of any 2024 Bonds (or to the owner's assigns), and all payments of or on account of principal to any Registered Owner of any 2024 Bond (or to his assigns), shall be valid and effectual and shall be a discharge of the District and the Registrar in respect of the liability upon such 2024 Bonds or claims for interest, as the case may be, to the extent of the sum or sums paid.

Upon request of a Registered Owner of at least \$1,000,000 in principal amount of 2024 Bonds, payment shall be made by wire transfer to an account designated by such owner.

Any 2024 Bonds canceled on account of payment or transfer shall be burned or otherwise destroyed by the Registrar consistent with the laws of the State of Washington.

Section 5.5 Lost, Stolen, Destroyed or Mutilated Bonds. In case any 2024 Bond shall at any time become mutilated or be lost, stolen or destroyed, the District in the case of such mutilated 2024 Bond shall, and in the case of such a lost, stolen or destroyed 2024 Bond, in its discretion may, execute and deliver a new 2024 Bond of the same Series, interest rate and maturity and of like tenor and effect in exchange or substitution for and upon the surrender or

cancellation of such mutilated 2024 Bond, or in lieu of or in substitution for such destroyed, stolen or lost 2024 Bond or if such stolen, destroyed or lost 2024 Bond shall be matured, instead of issuing a substitute therefor, the District may at its option pay the same without the surrender thereof. Any such exchange or substitution shall be accomplished in accordance with RCW Chapter 39.72, as the same shall be amended from time to time, or any successor statute thereto. Except in the case where a mutilated 2024 Bond is surrendered, the applicant for the issuance of a substitute 2024 Bond shall furnish to the District evidence satisfactory to it of the theft, destruction or loss of the original 2024 Bond, and of the ownership thereof, and also such security and indemnity as may be required by the District, and no such substitute 2024 Bond shall be issued unless the applicant for the issuance thereof shall reimburse the District for the expenses incurred by the District in connection with the preparation (including printing), execution, issuance and delivery of the substitute 2024 Bond. Any such substitute 2024 Bond of a Series shall be equally and proportionately entitled to the security of this Resolution with all other 2024 Bonds of such Series issued hereunder, whether or not the 2024 Bond alleged to have been lost, stolen or destroyed shall be found at any time or enforceable by anyone. The District shall advise the Bond Registrar of the issuance of substitute 2024 Bonds. All mutilated 2024 Bonds so surrendered to the District shall be cancelled by it.

Section 5.6 Limitations on Duty of District to Register, Exchange or Transfer Bonds. The District or the Bond Registrar shall not be required to transfer or exchange 2024 Bonds during a period beginning at the opening of business on the Record Date and ending at the close of business on the following interest payment date, or, in the case of any proposed redemption of the 2024 Bonds after the mailing of notice of redemption of any 2024 Bonds called for redemption.

Section 5.7 Paid or Surrendered Bonds Not to be Reissued. No 2024 Bonds shall be issued in lieu of 2024 Bonds, as applicable, surrendered upon exchange or transfer, except as expressly provided by this Resolution.

ARTICLE VI

REDEMPTION OF BONDS

Section 6.1 Notice of Redemption. Written notice of any redemption of 2024 Bonds shall be given by the District, which notice shall specify the Series, title, maturities, letters and numbers or other distinguishing marks of the 2024 Bonds to be redeemed, the redemption date and the place or places where the amount due upon such redemption will be payable and, in the case of registered 2024 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that upon the date fixed for redemption there shall become due and payable upon each 2024 Bond to be redeemed the principal amount thereof plus the premium, if any, due thereon upon the redemption date, together with interest accrued to the redemption date, and that from and after the redemption date interest thereon, or on the portion of any 2024 Bond to be redeemed in part (unless the District shall default in the payment of the 2024 Bonds, or of the portion of any 2024 Bond so to be redeemed in part) shall cease to accrue and become payable. Such notice shall be mailed by first class mail, postage prepaid, not less than 20 days nor more than 60 days before the redemption date to the Registered Owners of 2024 Bonds which are to be redeemed in whole or in part at their last addresses, if any, appearing upon the Bond Register. Whenever notice of redemption has been duly given as herein provided, the District shall transfer to the Bond Registrar for the 2024 Bonds so to be redeemed amounts in cash which, in addition to other money, if any, held by the Bond Registrar for such purpose, will be sufficient to redeem, on the

redemption date, all the Bonds so to be redeemed. The Bond Registrar shall also give notice of redemption pursuant to subsection A of Section 14.1.

In the case of an optional redemption, the notice of redemption may state that the District retains the right to rescind the redemption notice and the optional redemption of those 2024 Bonds by giving a notice of rescission to the affected Registered Owners at any time on or prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and a 2024 Bond for which a notice of optional redemption has been rescinded shall remain outstanding.

Upon the payment of the redemption price of 2024 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue, Series and maturity, the 2024 Bonds being redeemed with the proceeds of such check or other transfer.

The foregoing notice provisions of this Section 6.1, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

Section 6.2 Payment of Redeemed Bonds; When Interest on Bonds Called for Redemption Ceases to Accrue. Notice having been given by mailing in the manner provided in Section 6.1 hereof, the 2024 Bonds or portions thereof so called for redemption, together with accrued interest to the date fixed for redemption, shall become due and payable on the redemption date designated in said notice, and the Bond Registrar shall make payments thereof upon presentation and surrender thereof at the office of the Bond Registrar specified in such notice together with, in the case of 2024 Bonds for which payment is requested by a person other than the Registered Owner, a written instrument of transfer in form satisfactory to the Bond Registrar, duly executed by the Registered Owner or the Registered Owner's duly authorized attorney. In the event there shall be selected for redemption less than all of the 2024 Bonds represented by a 2024 Bond, the District shall execute and the Bond Registrar shall deliver upon the surrender of such 2024 Bond without charge to the owner thereof, for the unredeemed balance of the principal amount of the 2024 Bond so surrendered, a 2024 Bond of the same Series, interest rate and maturity, in either the denomination of such unredeemed balance or in any of the authorized denominations in aggregate principal amount equal to the unredeemed balance as shall be requested by the Registered Owner of the 2024 Bonds so surrendered; provided, however, that the District may, upon written agreement with the owner of any 2024 Bond, make payment of the redemption price of a portion of such 2024 Bond directly to the Registered Owner thereof without presentation or surrender thereof upon such terms and conditions as the District may consent to in such agreement. The Bond Registrar shall be advised by the District of each such agreement and shall be entitled to rely thereon, and to make payments in accordance therewith, until notified by the District of the termination of such agreement.

If money for the redemption of all the 2024 Bonds, or portions thereof, to be redeemed on any redemption date, together with the interest to the redemption date, shall be held by the Bond Registrar so as to be available therefor on the date fixed for the redemption thereof, and if notice of redemption of said 2024 Bonds shall have been mailed as provided in this Article, then from and after the redemption date, interest on the 2024 Bonds or portions thereof so called for redemption shall cease to accrue and become payable, and all 2024 Bonds or portions thereof so called for redemption shall be payable solely from the money set aside for the payment thereof

with the Bond Registrar, and said 2024 Bonds or portions thereof shall no longer be secured by the lien on and pledge of the Revenues herein created for the security and payment thereof; provided, however, that such lien and pledge shall continue in full force and effect as to the portion of any 2024 Bond not called for redemption.

ARTICLE VII

CREATION OF SPECIAL FUNDS AND ACCOUNTS AND PAYMENTS THEREFROM

Section 7.1 Revenue Fund.

A. A special fund of the District has heretofore been created and designated the "Revenue Fund." The District covenants and agrees that it will pay or cause to be paid all Revenues into the Revenue Fund as promptly as practicable after receipt thereof.

There have been created in the Revenue Fund two accounts known as (i) the General Account and (ii) the Contingency and Replacement Account, which accounts shall be held and used for the purposes hereinafter described.

B. The Revenues of the District shall be used only for the following purposes and in the following order of priority:

(i) All Revenues paid into the Revenue Fund shall first be credited to the General Account therein and applied as follows:

(b) to pay Operating Expenses;

(c) to make all payments required to be made into the Interest Account in the Bond Fund for the payment of accrued interest on the next interest payment date and (in the event the District has entered into any Derivative Product on a parity of lien with the Bonds) to make any regularly scheduled District Payments adjusted by any regularly scheduled Reciprocal Payments (provided, however, that termination payments with respect to any Derivative Product shall not rank on a parity of lien with the Bonds);

(d) to make all payments required to be made into the Principal Account in the Bond Fund for the payment of the principal amount of Serial Bonds next coming due, and into the Bond Retirement Account in the Bond Fund for the mandatory redemption of Term Bonds, and to pay all Resource Obligations to the extent not paid as an Operating Expense;

(e) to make all payments required to be made into the Reserve Account in the Bond Fund created to secure the payment of the Bonds; and

(f) to make all payments required to be made into any special fund or account created to pay or secure the payment of the principal of and interest on any revenue bonds, warrants or other revenue obligations of the District having a lien upon Revenues and money in the Revenue Fund and Bond Fund and accounts therein junior and inferior to the lien thereon for the payment of the principal of and interest on the Bonds.

(ii) After all of the above payments and credits have been made, amounts remaining in the General Account may be used for any other lawful purpose of the District.

(iii) Money, if any, that the Commission determines should be deposited into the Contingency and Replacement Account shall be used from time to time to make up any deficiencies in the Reserve Account, and such money in the Contingency and Replacement Account is hereby pledged as additional payments to the Bond Fund to the extent required for any such deficiencies. Money in the Contingency and Replacement Account may also be used to make additions, betterments, extensions, renewals, replacements and other capital improvements to the Electric System, to retire Bonds, or may be used by the District for any other lawful purpose of the District.

Nothing contained in this Section 7.1 shall be construed to require the deposit into the Revenue Fund of any of the revenues, income, receipts or other money of the District derived by the District through the ownership or operation of any separate utility system hereafter created or established from funds other than the proceeds of Bonds.

The District has created a Rate Stabilization Subaccount within the Revenue Fund. For purposes of calculating the coverage requirement in Section 9.3 and the Additional Bonds test in subsection B of Section 4.2, there may be added to Net Revenues collected in any Fiscal Year any amount withdrawn from the Rate Stabilization Subaccount in such year and deposited into the Revenue Fund and there shall be subtracted from Net Revenues collected in any Fiscal Year any amount withdrawn from the Revenue Fund and deposited into the Rate Stabilization Subaccount in such year.

Section 7.2 Bond Fund. A special fund of the District was previously created and designated as the "Electric System Revenue Bond Fund" (hereinafter referred to as the "Bond Fund"). The Bond Fund shall be held in trust and administered by the District and shall be used solely for the purposes of paying the principal of, premium, if any, and interest on the Bonds, making District Payments, and retiring the Bonds prior to maturity in the manner herein provided. The Bond Fund contains four accounts: the Interest Account, the Principal Account, the Reserve Account and the Bond Retirement Account. The Interest, Principal and Bond Retirement Account may be merged into one account. The District hereby obligates and binds itself irrevocably to set aside and to pay (to the extent not otherwise provided) from money in the Revenue Fund into the Bond Fund, after paying or making provision for Operating Expenses and prior to the payment of any other charge or obligation against such Revenues, amounts sufficient to pay the principal of, premium, if any, and interest on all the Bonds from time to time outstanding as the same respectively become due and payable, either at the maturity thereof or in accordance with the terms of any Sinking Fund Requirement established for the retirement of Term Bonds. The fixed amounts to be paid into the Bond Fund, to the extent that such payments are not made from Bond proceeds or from other money which may legally be available therefor, shall be as follows and in the following order of priority, to wit:

A. Into the Interest Account, no later than the date upon which an installment of interest falls due on the Bonds, the amount of interest then falling due on all Bonds then outstanding.

B. Into the Principal Account, no later than the date of each Serial Bond maturity, an amount equal to the principal amount of Serial Bonds then falling due.

C. Into the Bond Retirement Account, no later than the date of each Sinking Fund Requirement, an amount equal to the Sinking Fund Requirement for such date.

The District shall apply all the money paid into the Bond Fund for credit to the Bond Retirement Account to the redemption of Term Bonds on the next ensuing Sinking Fund Requirement Date (or may so apply such money prior to such Sinking Fund Requirement Date), pursuant to the terms of this Resolution or of the Supplemental Resolution authorizing the issuance thereof. The District may also apply the money paid into the Bond Fund for credit to the Bond Retirement Account for the purpose of retiring Term Bonds by the purchase of such Bonds at a purchase price (including accrued interest and any brokerage charge) not in excess of the principal amount thereof, in which event the principal amount of such Bonds so purchased shall be credited against the next ensuing Sinking Fund Requirement. If as of any Sinking Fund Retirement Date the principal amount of the Term Bonds retired by purchase or redemption exceeds the cumulative amount required to have been redeemed by sinking fund installments on or before such Sinking Fund Retirement Date, then such excess may be credited against the Sinking Fund Requirement for the Term Bonds for the following Fiscal Year. Any such purchase of Bonds by the District may be made with or without tenders of Bonds in such manner as the District shall, in its discretion, deem to be in its best interest.

D. The resolution authorizing any Additional Bonds may establish a separate debt service reserve account for any such Additional Bonds and set forth the reserve account requirement for such bonds or provide that some or all of such Additional Bonds be secured by the Reserve Account.

If the Reserve Account will secure the 2024 Bonds, the District hereby covenants that it will have on deposit in the Reserve Account an amount of 2024 Bond proceeds or other District funds so that the amount in the Reserve Account will, as of the date of the 2024 Bonds, be an amount equal to the Average Annual Debt Service for the Outstanding Bonds plus an amount to be set by the Designated Representative for the 2024 Bonds. The amount to be maintained in the Reserve Account for a series of Bonds, including the 2024 Bonds, if secured by the Reserve Account or a separate reserve account, shall not exceed an amount equal to the least of (i) the maximum Annual Debt Service that will mature or come due in the current Fiscal Year or any future Fiscal Year on a series of Bonds, (ii) 125% of Average Annual Debt Service on a series of Bonds, and (iii) 10% of the proceeds on their date of issuance of a series of Bonds.

E. In the event of the issuance of any Additional Bonds, the Supplemental Resolution authorizing the issuance of such Additional Bonds shall either (1) provide for further and additional approximately equal monthly payments into the Bond Fund for credit to the Reserve Account from the money in the Revenue Fund, in such amounts and at such times so that by no later than five years from the date of issuance of such Additional Bonds or by the final maturity established for such series of Additional Bonds, whichever occurs first, there will be credited to the Reserve Account an amount equal to the reserve requirement as calculated in the previous paragraph at the date of issuance of such Additional Bonds, or (2) establish a separate reserve account for such bonds and set the reserve requirement, which may be zero, in which case such bonds are not secured by a reserve account. The proceedings authorizing the issuance of Additional Bonds may provide for payments into the Bond Fund for credit to the Reserve Account from the proceeds of such Additional Bonds or from any other money lawfully available therefor (in which event, in providing for deposits and credits required by the foregoing provisions of this paragraph, allowance shall be made for any such amounts so paid into such Account) or may provide for the District to obtain Qualified Insurance or a Qualified Letter of Credit for specific amounts required pursuant to subsection E of Section 7.2 hereof to be paid out of the Reserve Account. The face amount of any such Qualified Insurance or Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Reserve Account by subsection D of Section 7.2 to the extent that such payments and credits to be made are insured by an insurance company or

guaranteed by a letter of credit from a financial institution. Such Qualified Letter of Credit or Qualified Insurance shall not be cancelable on less than five years' notice. In the event of any cancellation, the Reserve Account shall be funded in accordance with the provisions of subsection F of Section 7.2 hereof providing for payments to the Reserve Account in the event of a deficiency therein.

The money and value of Permitted Investments in the Reserve Account shall be determined as of the last business day of each Fiscal Year and maintained at an amount at least equal to the Average Annual Debt Service, or such other amount as provided in this Resolution, except where it is necessary for the District to make a transfer therefrom to the Interest Account, Principal Account or Bond Retirement Account because of an insufficiency of money therein to make any required payment of principal of or interest on any Bonds when due. The District shall make up any deficiencies in such account arising because of an insufficient value of money and Permitted Investments in such account in not more than 18 approximately equal consecutive monthly installments into the Reserve Account.

If at any time the money and value of Permitted Investments in the Reserve Account shall exceed the amount of money and value of Permitted Investments then required to be maintained therein by 10% (provided that once the Outstanding Bonds are no longer outstanding, any excess may be transferred), such excess may be transferred to the General Account in the Revenue Fund.

For the purpose of determining the amount credited to the Reserve Account, obligations in which money in the Reserve Account shall have been invested shall be valued at the market value thereof. The term "market value" shall mean, in the case of securities that are not then currently redeemable at the option of the holder, the current bid quotation for such securities, as reported in any nationally circulated financial journal, and the current redemption value in the case of securities which are then redeemable at the option of the holder. For obligations that mature within six months, the market value shall be the par value thereof. The valuation of the amount in the Reserve Account shall be made by the District as of the close of business on each December 31 (or on the next preceding business day if December 31 does not fall on a business day) and may be made on each June 30 (or on the next preceding business day if June 30 does not fall on a business day). If the valuation of the amount in the Reserve Account shall be less than the applicable reserve account requirement as determined in the first paragraph of subsection D, as in effect on such date of valuation, the District shall credit to the Reserve Account on or before the 25th day of each of the six succeeding calendar months one-sixth of the amount necessary to make the valuation of the amount in the Reserve Account equal to 100% of the applicable reserve account requirement as determined in the first paragraph of Subsection D.

In making the payments and credits to the Principal Account, Interest Account, Bond Retirement Account and Reserve Account required by this Section 7.2, to the extent that such payments are made from Bond proceeds, from money in any capitalized interest account, or from other money which may legally be available, such payments are not required to be made from the Revenue Fund.

F. In the event that there shall be a deficiency in the Interest Account, Principal Account or Bond Retirement Account in the Bond Fund, the District shall promptly make up such deficiency from the Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Reserve Account, if necessary, in such amounts as will provide cash in the Reserve Account sufficient to make up any such deficiency. If a deficiency still exists immediately prior to an interest payment date and after the withdrawal of

cash or sales or redemption of obligations, the District shall then draw from any Qualified Letter of Credit, Qualified Insurance, or other credit enhancement instrument. Such draw shall be made at such times and under such conditions as the agreement for such Qualified Letter of Credit or such Qualified Insurance shall provide. The District covenants and agrees that any deficiency created in the Reserve Account by reason of any withdrawal therefrom for payment into the Interest Account, Principal Account or Bond Retirement Account shall be made up from money in the Revenue Fund first from money in the Contingency and Replacement Account and then from money in the General Account, first available after making provision first for payment of Operating Expenses and then for the required payments into such Interest, Principal and Bond Retirement Accounts.

Money in the Bond Fund shall be transmitted to the Bond Registrar in amounts sufficient to meet the maturing installments of principal of, premium, if any, and interest on the Bonds when due. Whenever the assets of the Bond Fund shall be sufficient to provide money to retire all Bonds then outstanding, including such interest thereon as thereafter may become due and payable and any premiums upon redemption thereof, no further payments need be made into the Bond Fund. All money remaining in the Bond Fund after provision for the payment in full of the principal of, premium, if any, and interest on the Bonds shall be returned to the Revenue Fund.

The Bond Fund shall be drawn upon solely for the purpose of paying the principal of, premium, if any, and interest on the Bonds and making District Payments. Money set aside from time to time with the Bond Registrar for such payment shall be held in trust for the owners of the Bonds in respect of which the same shall have been so set aside. Until so set aside, all money in the Bond Fund shall be held in trust for the benefit of the owners of all Bonds at the time outstanding equally and ratably. District Payments shall be made from, and Reciprocal Payment shall be made into, the Interest Account.

Section 7.3 Investment of Funds. Money held for the credit of the Interest Account, Principal Account and Bond Retirement Account in the Bond Fund shall, to the fullest extent practicable and reasonable, be invested and reinvested at the direction of the District solely in, and obligations deposited in such accounts shall consist of Permitted Investments which shall mature prior to the respective dates when the money held for the credit of such Accounts will be required for the purposes intended. Money in the Reserve Account in the Bond Fund not required for immediate disbursement for the purposes for which such Account is created shall, to the fullest extent practicable and reasonable, be invested and reinvested at the direction of the District solely in, and obligations deposited in the Reserve Account shall consist of Permitted Investments maturing or subject to redemption at the option of the owner thereof within 20 years from the date of such investment (but maturing prior to the final maturity date of the Bonds then outstanding).

Money in the Revenue Fund and any arbitrage rebate fund not required for immediate disbursement for the purposes for which such Funds were created shall, to the fullest extent practicable and reasonable, be invested and reinvested by the District in Permitted Investments.

Except to the extent there are deficiencies in any account in the Bond Fund, all income received from the investment of money in the Bond Fund and the Revenue Fund shall be from time to time deposited in the Revenue Fund subject to the limitations under subsection E of Section 7.2.

ARTICLE VIII

DISPOSITION OF 2024 BOND PROCEEDS

Section 8.1 Disposition of the Proceeds from the Sale of the 2024 Bonds. A sufficient amount necessary to fund the Reserve Requirement, if any, shall be deposited into the Reserve Account. The remaining proceeds of the 2024 Bonds shall be deposited into the Construction Fund and used to finance or reimburse the Improvements and pay costs of issuance of the 2024 Bonds.

ARTICLE IX

COVENANTS TO SECURE BONDS

The District covenants and agrees with the purchasers and owners of all 2024 Bonds issued pursuant to this Resolution, so long as any such 2024 Bonds are outstanding, as follows:

Section 9.1 Security for Bonds. All Bonds and any District Payments are special limited obligations of the District payable from and secured solely by Revenues and by other money and assets specifically pledged hereunder for the payment thereof. There are hereby pledged as security for the payment of the principal of, premium, if any, and interest on all Bonds and District Payments in accordance with the provisions of this Resolution, subject only to the provisions of this Resolution restricting or permitting the application thereof for the purposes and on the terms and conditions set forth in this Resolution: (i) the Revenues, and (ii) the money and investments, if any, credited to the Revenue Fund, the Construction Fund and any construction fund created for Bond proceeds and the Bond Fund, and the income therefrom. The Revenues and other money and securities hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District regardless of whether such parties have notice thereof.

All Bonds now or hereafter outstanding shall be equally and ratably payable and secured hereunder without priority by reason of date of adoption of the resolution providing for their issuance or by reason of their series, number or date of sale, issuance, execution or delivery, or by the liens, pledges, charges, trusts, assignments and covenants made herein, except as otherwise expressly provided or permitted in this Resolution and except as to insurance or other credit enhancement which may be obtained by the District to insure or secure the repayment of one or more series or maturities within a series.

The pledge of the Revenues and of the amounts to be paid into and maintained in the funds and accounts described above in this Section to pay and secure the payment of Bonds is hereby declared to be a prior lien and charge on the Revenues and the money and investments in such funds and accounts superior to all other liens and charges of any kind or nature, subject to prior application to pay Operating Expenses.

Bonds shall not in any manner or to any extent constitute general obligations of the District or of the State of Washington, or any political subdivision of the State of Washington, or a charge upon any general fund or upon any money or other property of the District or of the State of Washington, or of any political subdivision of the State of Washington, not specifically pledged thereto by this Resolution.

Section 9.2 Rate Covenant – General. The District will establish, maintain and collect rates and charges for electric power and energy and other services, facilities and commodities sold, furnished or supplied through the facilities of the Electric System which shall be fair and nondiscriminatory and adequate to provide Revenues sufficient for the punctual payment of the principal of, premium, if any, and interest on the Bonds for which the payment has not otherwise been provided, for all payments which the District is obligated to make into the Bond Fund, and for the proper operation and maintenance of the Electric System, and all necessary repairs, replacements and renewals thereof, including the payment of all taxes, assessments or other governmental charges lawfully imposed on the Electric System or the Revenues therefrom, or payments in lieu thereof, and the payment of all other amounts which the District may now or hereafter become obligated to pay from the Revenues by law or contract.

Section 9.3 Rate Covenant – Debt Service Coverage. The District will also establish, maintain and collect rates and charges which shall be adequate to provide in each Fiscal Year Net Revenues in an amount equal to at least 1.25 times the Annual Debt Service on the then outstanding Bonds in such Fiscal Year.

The failure to collect Revenues in any Fiscal Year sufficient to comply with the covenant contained in this Section 9.3 shall not constitute an Event of Default if the District, before the 90th day of the following Fiscal Year:

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

B. Promptly imposes rates at least as high as those recommended by such Professional Utility Consultant.

The calculation of the coverage requirement set forth above, and in Section 4.2 hereof, and the District's compliance therewith, may be made solely with reference to this Resolution without regard to future changes in generally accepted accounting principles. If the District has changed one or more of the accounting principles used in the preparation of its financial statements, because of a change in generally accepted accounting principles or otherwise, then an event of default relating to this coverage requirement shall not be considered an Event of Default if the coverage requirement ratio would have been complied with had the District continued to use those accounting principles employed at the date of the most recent audited financial statements prior to the date of this Resolution.

Section 9.4 Restrictions on Contracting of Obligations Secured by Revenues.

A. The District will not hereafter create any other special fund or funds for the payment of revenue bonds, warrants or other revenue obligations, or issue any bonds, warrants or other obligations or create any additional indebtedness which will rank on a parity with or prior to the charge and lien on the Revenues or properties of the Electric System for the payments into the Bond Fund, except as provided under Article IV hereof.

B. The District may issue Additional Bonds as provided in Article IV.

C. The District may issue bonds, notes, warrants or other obligations payable from and secured by a lien on the Revenues of the Electric System that is subordinate or inferior to the

lien on such Revenues securing the Bonds and may create a special fund or funds for payment of such subordinate obligations.

Section 9.5 Covenant to Maintain System in Good Condition. The District shall at all times maintain, preserve and keep, or cause to be maintained, preserved and kept, the properties of the Electric System and all additions and betterments thereto and extensions thereof and every part and parcel thereof, in good repair, working order and condition, and will from time to time make, or cause to be made, all necessary and proper repairs, renewals, replacements, extensions and betterments thereto so that at all times the business carried on in connection therewith shall be properly and advantageously conducted. The District will at all times operate such properties and the business in connection therewith or cause such properties and business to be operated in an efficient manner and at a reasonable cost.

Section 9.6 Covenants Concerning Disposal of Properties of Electric System. The District shall not sell, mortgage, lease or otherwise dispose of the properties of the Electric System except as provided in this Section.

A. The District will not sell or otherwise dispose of the Electric System in its entirety unless simultaneously with such sale or other disposition, provision is made for the payment, redemption or other retirement of all Bonds then outstanding.

B. Except as provided in C below, the District will not sell or otherwise dispose of any part of the Electric System unless provision is made for the payment, redemption or other retirement of a principal amount of Bonds equal to the greater of the following amounts, provided, such amount is in excess of 5% of the value of the Electric System:

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

(ii) An amount which will be in the same proportion to the net principal amount of Bonds then outstanding that the book value of the part of the Electric System sold or disposed of bears to the book value of the entire Electric System immediately prior to such sale or disposition.

C. The District may sell or otherwise dispose of any part of the Electric System which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the Electric System, or no longer necessary, material to or useful in such operation, and may also sell or otherwise dispose of street lighting systems now or hereafter owned by the District at the fair value thereof. The District may sell or otherwise dispose of street lighting systems now or hereafter owned by the District at a price permitted by law. The proceeds of any such sale or disposition pursuant to this subsection C shall be paid into the Bond Fund for credit to the Reserve Account to the extent of any deficiency in such Reserve Account, and the balance of such proceeds, if any, shall be deposited in the Revenue Fund.

Section 9.7 Insurance. The District shall either self-insure or, as needed, and to the extent insurance coverage is available at reasonable cost with responsible insurers, keep, or cause to be kept, the Electric System and the operation thereof insured, with policies payable to the District, against the risks of direct physical loss, damage to or destruction of the Electric

System, or any part thereof, and against accidents, casualties or negligence, including liability insurance and employer's liability, at least to the extent that similar insurance is usually carried, or self-insurance programs are utilized, by electric utilities operating like properties.

In the event of any loss or damage to the properties of the Electric System covered by insurance, the District will (i) with respect to each such loss, promptly repair and reconstruct to the extent necessary to the proper conduct of the operations of the Electric System the lost or damaged portion thereof and shall apply the proceeds of any insurance policy or policies covering such loss or damage for that purpose to the extent required therefor, unless in the case of loss or damage involving \$300,000 or more, such repair and reconstruction shall not be recommended by the Professional Utility Consultant, and (ii) if the District shall not use the entire proceeds of such insurance to repair or reconstruct such lost or damaged property, such insurance proceeds thereof not so used shall be paid into the Revenue Fund, and if in excess of \$300,000 for any one loss or damage, shall be used to purchase or redeem Bonds or to acquire or construct extensions, betterments and improvements to the Electric System.

Section 9.8 Books of Account. The District shall keep proper books of account as required by this Resolution in accordance with the rules and regulations prescribed by the Office of the State Auditor of the State of Washington, or other State department or agency succeeding to such duties of the State Auditor's office, and if no such rules or regulations are prescribed, then in substantial accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission or other federal agencies having jurisdiction over electric public utility companies owning and operating properties similar to the electric properties operated by the District, whether or not the District is at that time required by law to use such system of accounts. The District shall cause its books of account to be audited by the Office of the State Auditor or other state agency as may be authorized and directed by law to make such audit, or if the audit shall not be made within 12 months after the close of any Fiscal Year of the District, then the District shall cause such audit to be made by independent certified public accountants licensed, registered or entitled to practice, and practicing as such, under the laws of the State of Washington who, or each of whom, is in fact independent and does not have any interest, direct or indirect, in any contract with the District other than his contract of employment pursuant to this Section and who is not connected with the District as an officer or employee of the District. In keeping the books of account, the District shall accrue depreciation monthly on depreciable properties operated by the District in accordance with the accounting practice prescribed by the uniform system of accounts of the Federal Energy Regulatory Commission above mentioned. The District will furnish a copy of the most recent audit report to any owner of Bonds upon written request therefor. Any owner of Bonds may also obtain at the office of the District copies of the balance sheet and income and expense statements showing in reasonable detail the financial condition of the Electric System as of the close of each Fiscal Year, including the transactions relating to the Revenue Fund, the Bond Fund, any Construction Fund and all other funds and accounts created or maintained pursuant to the provisions of this Resolution.

Section 9.9 Covenant Not to Render Service Free of Charge. So long as any Bonds are outstanding, the District shall not furnish or supply or permit the furnishing or supplying of electric energy or any other commodity, service or facility furnished by or in connection with the operation of the Electric System, free of charge to any person, firm or corporation, public or private, and the District will promptly enforce the payment of any and all accounts owing to the District and delinquent, by discontinuing service or by filing suits, actions or proceedings, or by both discontinuance of service and filing suit; provided, that to the extent permitted by law, the District may loan money and may provide commodities, services or facilities free of charge or at

a reduced charge in connection with a plan of conservation of electric energy or other program adopted by the Commission.

Section 9.10 Tax Covenants.

A. Preservation of Tax Exemption for Interest on the 2024 Bonds. The District covenants that it will take all actions necessary to prevent interest on the 2024 Bonds issued as tax-exempt from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of any Series of 2024 Bonds issued as tax-exempt or other funds of the District treated as proceeds of the 2024 Bonds that will cause interest on such Series of 2024 Bonds to be included in gross income for federal income tax purposes or to cause any 2024 Bonds issued as tax-advantaged to lose their tax-advantaged status. The District also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the 2024 Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the tax-exempt or tax-advantaged 2024 Bonds.

B. Post-Issuance Compliance. The Treasurer is authorized and directed to review and update, if needed, the District's written procedures to facilitate compliance by the District with the covenants in this Resolution and the applicable requirements of the Code that must be satisfied after the issue date to prevent interest on the 2024 Bonds from being included in gross income for federal tax purposes.

C. Designation of 2024 Bonds as "Qualified Tax-Exempt Obligations." A Series of the 2024 Bonds may be designated as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code, if the following conditions are met:

(i) the Series does not constitute "private activity bonds" within the meaning of Section 141 of the Code;

(ii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the District and any entity subordinate to the District (including any entity that the District controls, that derives its authority to issue tax-exempt obligations from the District, or that issues tax-exempt obligations on behalf of the District) will issue during the calendar year in which the Series is issued will not exceed \$10,000,000; and

(iii) the amount of tax-exempt obligations, including the Series, designated by the District as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Series is issued does not exceed \$10,000,000.

ARTICLE X

SUPPLEMENTAL AND AMENDATORY RESOLUTIONS

Section 10.1 Amendments Without Consent of Bondowners. The District may adopt at any time and from time to time without the consent of the owners of any Bonds a resolution or resolutions supplemental to or amendatory of Outstanding Parity Bond Resolutions, this Resolution and any Supplemental Resolution theretofore adopted for any one or more of the following purposes:

A. To provide for the issuance of Additional Bonds pursuant to Article IV hereof, and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed;

B. To add additional covenants and agreements of the District for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the District contained in this Resolution or any Supplemental Resolution;

C. To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the District payable from the Revenues which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

D. To surrender any right, power or privilege reserved to or conferred upon the District by the terms of this Resolution;

E. To confirm as further assurance any pledge under, and the subjection to any lien, claim or pledge created or to be created by, the provisions of this Resolution of the Revenues or of any other money, securities or funds;

F. To cure any ambiguity or defect or inconsistent provision of the Outstanding Parity Bond Resolutions, this Resolution or any Supplemental Resolution or to insert such provisions clarifying matters or questions arising under the Outstanding Parity Bond Resolutions, this Resolution or any Supplemental Resolution as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with the Outstanding Parity Bond Resolutions, this Resolution or any Supplemental Resolution as theretofore in effect;

G. To appoint a Bondowners' Trustee and specify the qualifications, duties, rights and immunities of such Trustee;

H. To appoint a Construction Fund trustee and specify the qualifications, duties, rights and immunities of such trustee and to adopt additional provisions relating to the disbursement of money from the Construction Fund; or

I. To modify any of the provisions of the Outstanding Parity Bond Resolutions, this Resolution, or any Supplemental Resolution in any other respect; provided that such modification shall not be effective until after the Bonds outstanding as of the date of adoption of such resolution shall cease to be outstanding, and any Bonds issued under such resolution shall contain a specific reference to the modifications contained in such subsequent resolution.

Section 10.2 Amendments With Consent of Bondowners. The provisions of the Outstanding Parity Bond Resolutions, this Resolution and of any Supplemental Resolution may be modified at any time or from time to time by a Supplemental Resolution, with the consent of bondowners in accordance with and subject to the provisions of Article XII hereof.

ARTICLE XI

DEFAULTS AND REMEDIES

Section 11.1 Events of Default. The Commission of the District hereby finds and determines that the continuous operation of the Electric System and the collection, deposit and

disbursement of the Revenues in the manner provided in the Outstanding Parity Bond Resolutions and this Resolution, are essential to the payment and security of the Bonds, and the failure or refusal of the District to perform the covenants and obligations contained in the Outstanding Parity Bond Resolutions and this Resolution will endanger the necessary continuous operation of the Electric System and the application of the Revenues to the purposes set forth in the Outstanding Parity Bond Resolutions and this Resolution. The Outstanding Parity Bond Resolutions, this Resolution and each Supplemental Resolution adopted pursuant to Article X are hereinafter in this Article XI and in Article XII referred to collectively as "the Resolution."

The District hereby covenants and agrees with the purchasers and owners from time to time of the Bonds, in order to protect and safeguard the covenants and obligations undertaken by the District securing the Bonds, that the following shall constitute "Events of Default":

A. If the District shall default in the performance of any obligations with respect to payments into the Revenue Fund;

B. If default shall be made in the due and punctual payment of the principal of and premium, if any, on any of the Bonds when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise;

C. If default shall be made in the due and punctual payment of any installment of interest on any Bond;

D. If the District shall fail, by any Sinking Fund Requirement Date, to have purchased or redeemed Term Bonds in a cumulative principal amount at least equal to the cumulative Sinking Fund Requirements at such Sinking Fund Requirement Date;

E. If the District shall default in the observance and performance of any other of the covenants, conditions and agreements on the part of the District contained in the Resolution and such default or defaults shall have continued for a period of 90 days after the District shall have received from the owners of not less than 20% in principal amount of the Bonds outstanding, a written notice specifying and demanding the cure of such default;

F. If the District shall sell, transfer, assign or convey any properties constituting the Electric System or interests therein, or any part or parts thereof, or shall make any agreement for such sale or transfer (except as expressly authorized by Section 9.6 hereof);

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

H. If the District shall: (a) admit in writing its inability to pay its debts generally as they become due; (b) file a petition in bankruptcy or seeking a composition of indebtedness under any state or federal bankruptcy or insolvency law; (c) make an assignment for the benefit of its

creditors; (d) consent to the appointment of a receiver of the whole or any substantial part of the Electric System; or (e) consent to the assumption by any court of competent jurisdiction under the provisions of any other law for the relief or aid of debtors of custody or control of the District or of the whole or any substantial part of the Electric System.

Section 11.2 Remedies. The remedies of the Bondowners during the continuance of an Event of Default shall, to the extent permitted by law, be governed by this Section 11.2.

A. Bondowners' Trustee. So long as such Event of Default shall not have been remedied, a Bondowners' Trustee may be appointed by the owners of at least 20% in principal amount of the Bonds then outstanding, by an instrument or concurrent instruments in writing signed and acknowledged by such bondowners or by their attorneys-in-fact duly authorized and delivered to such Trustee, notification thereof being given to the District. Any Bondowners' Trustee appointed under the provisions of this Section 11.2 shall be a bank or trust company organized under the laws of the State of Washington or the State of New York or a national banking association. The bank or trust company acting as Bondowners' Trustee may be removed at any time, and a successor Bondowners' Trustee may be appointed, by the owners of a majority in principal amount of the Bonds and any Additional Bonds issued pursuant to this Resolution, by an instrument or concurrent instruments in writing signed and acknowledged by such bondowners or by their attorneys-in-fact duly authorized.

The Bondowners' Trustee appointed in the manner herein provided, and each successor thereto, is hereby declared to be a trustee for the owners of all the Bonds and is empowered to exercise all the rights and powers herein conferred on the Bondowners' Trustee.

B. Suits at Law or in Equity. The Bondowners' Trustee may upon the happening of an Event of Default, and during the continuance thereof, take such steps and institute such suits, actions or other proceedings in its own name, or as trustee, all as it may deem appropriate for the protection and enforcement of the rights of bondowners to collect any amounts due and owing from the District, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in this Resolution, or in any of the Bonds.

Any action, suit or other proceedings instituted by the Bondowners' Trustee hereunder shall be brought in its name as trustee for the bondowners and all such rights of action upon or under any of the Bonds or the provisions of this Resolution may be enforced by the Bondowners' Trustee without the possession of any of said Bonds, and without the production of the same at any trial or proceedings relative thereto except where otherwise required by law, and the respective owners of said Bonds, by taking and holding the same, shall be conclusively deemed irrevocably to appoint the Bondowners' Trustee the true and lawful trustee of the respective owners of said Bonds, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums becoming distributable on account of said Bonds; to execute any paper or documents for the receipt of such money, and to do all acts with respect thereto that the bondowner himself might have done in person. Nothing herein contained shall be deemed to authorize or empower the Bondowners' Trustee to consent to accept or adopt, on behalf of any owner of any Bond, any plan or reorganization or adjustment affecting the said Bonds or any right of any owner thereof, or to authorize or empower the Bondowners' Trustee to vote the claims of the owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the District shall be a party.

C. Books of District Open to Inspection. The District covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account

of the District shall at all times be subject to the inspection and use of the Bondowners' Trustee or to individual Bondowners.

The District covenants that if an Event of Default shall happen and shall not have been remedied, the District will continue to account, as a trustee of an express trust, for all Revenues and other money, securities and funds pledged under this Resolution.

D. Payment of Funds to Bondowners' Trustee. The District covenants that if an Event of Default shall happen and shall not have been remedied, the District, upon demand of the Bondowners' Trustee, shall pay over to the Bondowners' Trustee (i) forthwith, all money, securities and funds then held by the District and pledged under this Resolution, and (ii) as promptly as practicable after receipt thereof, all Revenues.

E. Application of Funds by Bondowners' Trustee. During the continuance of an Event of Default the Revenues received by the Bondowners' Trustee pursuant to the provisions of the preceding paragraph shall be applied by the Bondowners' Trustee, first, to the payment of the reasonable and proper charges, expenses and liabilities paid or incurred by the Bondowners' Trustee (including the cost of securing the services of any engineer or firm of engineers selected for the purpose of rendering advice with respect to the sufficiency of the rates and charges for power and energy sold, furnished or supplied by the Electric System), and second, in accordance with the provisions of Sections 7.1 and 7.2 of this Resolution.

In the event that at any time the funds held by the Bondowners' Trustee and the Bond Registrar for the Bonds shall be insufficient for the payment of the principal of, premium, if any, and interest then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds which have theretofore become due at maturity or by call for redemption) and all Revenues and other money received or collected for the benefit or for the account of owners of the Bonds by the Bondowners' Trustee shall be applied as follows:

First, to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, earliest maturities first, and, if the amount available shall not be sufficient to pay in full any installment or installments or interest maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference and to the payments required to be made pursuant to Section 7.2 hereof; and

Second, to the payment to the persons entitled thereto of the unpaid principal and premium, if any, of any Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, earliest maturities first, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal and premium, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

F. Relinquishment of Funds Upon Remedy of Default. If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges, expenses and liabilities of the Bondowners' Trustee and the owners of Bonds, their respective agents and attorneys, and all other sums payable by the District under this Resolution, including the principal of, premium, if any, and accrued unpaid interest on all Bonds which shall then be payable (with interest upon such principal and premium, if any, and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest, at the same rate as the rate of interest specified in the Bonds, to the date of such payment or deposit), shall either be

paid by or for the account of the District, or provision satisfactory to the Bondowners' Trustee shall be made for such payment, and all defaults under this Resolution or the Bonds shall be made good or secured to the satisfaction of the Bondowners' Trustee or provision deemed by the Bondowners' Trustee to be adequate shall be made therefor, the Bondowners' Trustee shall pay over to the District all money, securities, funds and Revenues then remaining unexpended in the hands of the Bondowners' Trustee and thereupon all Revenues shall thereafter be applied as provided in this Resolution. No such payment over to the District by the Bondowners' Trustee or resumption of the application of Revenues as provided in this Resolution shall extend to or affect any subsequent default under this Resolution or impair any right consequent thereon.

G. Suits by Individual Bondowners. No owner of any one or more of Bonds shall have any right to institute any action, suit or proceeding at law or in equity for the enforcement of same, unless an Event of Default shall have happened and be continuing, and unless no Bondowners' Trustee has been appointed as herein provided, but any remedy herein authorized to be exercised by the Bondowners' Trustee may be exercised individually by any bondowner, in his own name and on his own behalf or for the benefit of all bondowners, in the event no Bondowners' Trustee has been appointed, or with the consent of the Bondowners' Trustee if such Bondowners' Trustee has been appointed; provided, however, that nothing in this Resolution or in the Bonds shall affect or impair the obligation of the District, which is absolute and unconditional, to pay from Net Revenues the principal of and interest on the Bonds to the respective owners thereof at the respective due dates therein specified, or affect or impair the right of action, which is absolute and unconditional, of such owners to enforce such payment.

Section 11.3 Remedies Granted in Resolution Not Exclusive. No remedy by the terms of the Resolution conferred upon or reserved to the Bondowners' Trustee, or the owners of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or existing at law or in equity or by statute on or after the date of adoption of the Resolution.

ARTICLE XII

AMENDMENTS AND BONDOWNERS MEETINGS

Section 12.1 Call of Bondowners Meetings. The District, the Bondowners' Trustee or the owners of not less than 20% in principal amount of the Bonds then outstanding may at any time call a meeting of the owners of the Bonds. Every such meeting shall be held at such place in New York, New York, or in Seattle, Washington, as may be specified in the notice calling such meeting. Written notice of such meeting, stating the place and time of the meeting and in general terms the business to be transacted, shall be mailed to the bondowners by the District, the Bondowners' Trustee or the bondowners calling such meeting not less than 30 nor more than 60 days before such meeting, and shall be published at least once a week for four successive calendar weeks on any day of the week, the date of first publication to be not less than 30 nor more than 60 days preceding the meeting; provided, however, that the mailing of such notice shall in no case be a condition precedent to the validity of any action taken at any such meeting. The expenses of publication of such notice shall be paid or reimbursed by the District. Any meeting of bondowners shall, however, be valid without notice if the owners of all Bonds then outstanding are present in person or by proxy or if notice is waived before or within 30 days after the meeting by those not so present.

Section 12.2 Notice to Bondowners. Except as otherwise provided in this Resolution, any provision in this Resolution for the mailing of a notice or other paper to bondowners shall be

fully complied with if it is mailed by first class mail, postage prepaid, to each Registered Owner of any of the Bonds then outstanding at his address, if any, appearing upon the Bond Register; and any provision in this Resolution contained for publication of a notice or other matter shall require the publication thereof in The Bond Buyer in New York, New York (or in lieu of publication in The Bond Buyer, in a daily newspaper printed in the English language and customarily published on each business day of general circulation in the Borough of Manhattan, in New York, New York), and also in a daily newspaper printed in the English language and customarily published on each business day and of general circulation in Seattle, Washington.

Section 12.3 Proxies; Proof of Ownership of Bonds. Attendance and voting by bondowners at such meetings may be in person or by proxy. Owners of Bonds may, by an instrument in writing under their hands, appoint any person or persons, with full power and substitution, as their proxy to vote at any meeting for them. Officers or nominees of the District may be present or represented at such meeting and take part therein but shall not be entitled to vote thereat, except as such officers or nominees are bondowners or proxies for bondowners.

Any Registered Owner of Bonds shall be entitled in person or by proxy to attend and vote at such meeting as owner of the Bonds registered in his name without producing such Bonds, and such persons and their proxies shall, if required, produce such proof of personal identity as shall be satisfactory to the Secretary of the meeting. All proxies presented at such meeting shall be delivered to the Inspectors of Votes and filed with the Secretary of the meeting.

The vote at any such meeting of the owner of any Bond entitled to vote thereat shall be binding upon such owner and upon every such subsequent owner of such Bond (whether or not such subsequent owner has notice thereof).

Section 12.4 Execution of Instruments by Bondowners. Any request, direction, consent or other instrument in writing required or permitted by this Resolution to be signed or executed by bondowners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such bondowners in person or by agent appointed by an instrument in writing. Proof of the execution of any such instrument shall be sufficient for any purpose of this Resolution if made in the following manner: (1) The fact and date of the execution by any person of any such instrument may be proved by either (a) an acknowledgment executed by a notary public or other officer empowered to take acknowledgments of deeds to be recorded in the particular jurisdiction, or (b) an affidavit of a witness to such execution sworn to before such a notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such acknowledgment or affidavit shall also constitute sufficient proof of his authority.

The foregoing shall not be construed as limiting the District to such proof, it being intended that the District may accept any other evidence of the matters herein stated which it may deem sufficient. Any request or consent of the owner of any Bond shall bind every future owner of the same Bond in respect of anything done by the District in pursuance of such request, direction or consent.

The right of a proxy for a bondowner to act may be proved (subject to the District's right to require additional proof) by a written proxy executed by such bondowner as aforesaid.

Section 12.5 Appointment of Officers at Bondowners Meetings. Persons named by the District or elected by the owners of a majority in principal amount of the Bonds represented at the meeting in person or by proxy in the event the District is not represented at such meeting, shall

act as temporary Chairman and temporary Secretary of any meeting of bondowners. A permanent Chairman and a permanent Secretary of such meeting shall be elected by the owners of a majority in principal amount of the Bonds represented at such meeting in person or by proxy. The permanent Chairman of the meeting shall appoint two Inspectors of Votes who shall count all votes cast at such meeting, except votes on the election of Chairman and Secretary as aforesaid, and who shall make and file with the Secretary of the meeting and with the District their verified report of all such votes cast at the meeting.

Section 12.6 Quorum at Bondowners Meetings. The owners of not less than the principal amount of the Bonds required for any action to be taken at such meeting must be present at such meeting in person or by proxy in order to constitute a quorum for the transaction of business, less than a quorum, however, having power to adjourn from time to time without any other notice than the announcement thereof at the meeting; provided, however, that, if such meeting is adjourned by less than a quorum for more than ten days, notice thereof shall be published by the District at least five days prior to the adjourned date of the meeting.

Section 12.7 Vote Required to Amend Resolution. Any amendment to the provisions of the Resolution, in any particular except the percentage of bondowners the approval of which is required to approve such amendment, may be made by a Supplemental Resolution of the District and a resolution duly adopted by the affirmative vote at a meeting of bondowners duly convened and held, or with written consent as hereinafter provided in Section 12.9, of the owners of not less than 66 2/3% in principal amount of the Bonds outstanding when such meeting is held or such consent is given; provided, however, that no such amendment shall (a) extend the date of payment of the principal of any Bond or of any installment of interest thereon or reduce the principal or redemption price thereof or the rate of interest thereon or advance the date upon which any Bond may first be called for redemption prior to its fixed maturity date; (b) give to any Bond or Bonds any preference over any other Bond or Bonds secured equally and ratably therewith; (c) reduce the aforesaid percentage of Bonds, the owners of which are required to consent to any such resolution amending the provisions of this Resolution; or (d) authorize the creation of any pledge prior to or, except as provided in Article IX hereof for the issuance of Additional Bonds, on a parity with the pledge afforded by this Resolution, without the consent of the owner of each such Bond affected thereby.

Section 12.8 Obtaining Approval of Amendments at Bondowners Meeting. The District may at any time adopt a resolution amending the provisions of the Resolution to the extent that such amendment is permitted by the provisions of Section 12.7 hereof, to take effect when and as provided in this Section. At any time thereafter such resolution may be submitted by the District for approval to a meeting of the bondowners duly convened and held in accordance with the provisions of the Resolution. A record in duplicate of the proceedings of each meeting of the bondowners shall be prepared by the permanent Secretary of the meeting and shall have attached thereto the original reports of the Inspectors of Votes and affidavits by a person or persons having knowledge of the facts, showing a copy of the notice of the meeting and setting forth the facts with respect to the mailing and publication thereof under the provisions of the Resolution. Such a record shall be signed and verified by the affidavits of the permanent Chairman and the permanent Secretary of the meeting, and one duplicate thereof shall be delivered to the District. Any record so signed and verified shall be proof of the matters therein stated. If the resolution of the District making such amendment shall be approved by a resolution duly adopted at such meeting of bondowners by the affirmative vote of the owners of the required percentages of Bonds, a notice stating that a resolution approving such amendment has been so adopted shall be mailed by the District to each bondowner who has requested such notice (but failure so to mail copies of such notice shall not affect the validity of such resolution) and shall be published at least

once in the manner provided in Section 12.2 hereof. Proof of such mailing and publication by the affidavit or affidavits of a person or persons having knowledge of the facts shall be filed with the District. Such resolution of the District making such amendment shall be deemed conclusively to be binding upon the District, the Bond Registrar, and the owners of all Bonds at the expiration of 30 days after the publication of the notice provided for in this Section, except in the event of a final decree of court of competent jurisdiction setting aside such resolution or annulling the action taken thereby in a legal action or equitable proceeding for such purpose commenced within such period; provided that the District and any Bond Registrar during such 30 day period and any such further period during which such action or proceeding may be pending shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such resolution as they may deem expedient. Nothing in the Resolution contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of bondowners or of any right conferred hereunder to make such a call, any hindrance or delay in the exercise of any rights conferred upon or reserved to the Bond Registrar or the bondowners under any of the provisions of the Resolution.

Section 12.9 Alternate Method of Obtaining Approval of Amendments. The District may at any time adopt a resolution amending the provisions of the Resolution, or of any Bonds, to the extent that such amendment is permitted by the provisions of this Article, to take effect when and as provided in this Section. Upon adoption of such resolution, a request that bondowners consent thereto shall be mailed by the District to the bondowners and notice that the District is requesting bondowners to consent to such amendment shall be published at least once in the manner provided in Section 12.2 hereof. Such resolution shall not be effective unless and until there shall have been filed with the District the written consents of the percentages of owners of outstanding Bonds specified in Section 12.7 hereof and a notice shall have been published as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 12.3 hereof. A certificate or certificates of the Secretary of the District that he has examined such proof and that such proof is sufficient shall be conclusive that the consents have been given by the owners of the Bonds described in such certificate or certificates. Any such consent shall be binding upon the owner of the Bonds giving such consent and on every subsequent owner of such Bonds (whether or not such subsequent owner has notice thereof). A notice stating that the resolution has been consented to by the owners of the required percentages of bonds and will be effective as provided in this Section, may be given to the bondowners by mailing such notice to the bondowners, and shall be given by publishing the same at least once in the manner provided in Section 12.2 hereof. A record, consisting of the papers required by this Section to be filed with the District shall be proof of the matters therein stated, and the resolution shall be deemed conclusively to be binding upon the District and the owners of all Bonds at the expiration of 30 days after the notice last provided for in this Section, except in the event of a final decree of a court of competent jurisdiction setting aside such consent or annulling the action taken thereby in a legal action or equitable proceeding for such purpose commenced within such period.

Section 12.10 Amendment of Resolution In Any Respect by Approval of All Bondowners. Notwithstanding anything contained in the foregoing provisions of this Article, the rights and obligations of the District and of the owners of the Bonds and the terms and provisions of the Bonds and of the Resolution, may be amended in any respect with the consent of the District, by the affirmative vote of the owners of all said Bonds then outstanding at a meeting of bondowners called and held as hereinabove provided, or upon the adoption of a resolution by the District and the consent of the owners of all the Bonds then outstanding, such consent to be given as provided in Section 12.9 except that no notice to bondowners either by mailing or publication shall be

required, and the amendment shall be effective immediately upon such unanimous vote or written consent of all of the bondowners.

Section 12.11 Bonds Owned by District. Bonds owned or held by or for the account of the District shall not be deemed outstanding for the purpose of any vote or consent or other action or any calculation of outstanding Bonds in this Resolution provided for, and shall not be entitled to vote or consent or take any other action in this Resolution provided for.

Section 12.12 Endorsement of Amendment on Bonds. Bonds delivered after the effective date of any action amending this Resolution taken as hereinabove provided may bear a notation by endorsement or otherwise as to such action, and in that case, upon demand of the owner of any Bond outstanding at such effective date and presentation of his Bond for the purpose at the office of the Bond Registrar, suitable notation shall be made on such Bond by the Bond Registrar as to any such action. If the District shall so determine, new Bonds so modified as in the opinion of the District and its counsel to conform to such action shall be prepared, delivered and upon demand of the owner of any Bond then outstanding shall be exchanged without cost to such bondowner for Bonds then outstanding hereunder, upon surrender of such Bonds.

ARTICLE XIII

FORM OF BONDS

Section 13.1 Form of 2024 Bonds. The 2024 Bonds shall be in substantially the following form:

No. _____ \$ _____

UNITED STATES OF AMERICA
STATE OF WASHINGTON
PUBLIC UTILITY DISTRICT NO. 1 OF
FRANKLIN COUNTY, WASHINGTON
ELECTRIC REVENUE BOND, SERIES 2024

INTEREST RATE: _____ MATURITY DATE: _____ CUSIP NO.: _____

PRINCIPAL AMOUNT: _____

REGISTERED OWNER: _____

Public Utility District No. 1 of Franklin County, Washington, a municipal corporation of the State of Washington (the "District"), for value received, hereby promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date set forth above, the principal amount set forth above, and to pay interest on such principal sum from the date hereof or the most recent date to which interest has been paid or duly provided for, at the interest rate set forth above, payable semiannually on _____, 2024, and thereafter on the first day of _____ and _____ in each year until the payment in full of such principal sum.

Principal of and interest on this bond are payable solely out of the special fund of the District known as the "Electric System Revenue Bond Fund." Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be

made as provided in accordance with the operational arrangements of DTC referred to in the Blanket Issuer Letter of Representations from the District to The Depository Trust Company. In the event that the bonds of this issue are no longer held in fully immobilized form, interest on this bond shall be paid by check or draft mailed to the Registered Owner at the address appearing on the Bond Register on the 15th day of the month preceding the interest payment date (the "Record Date"), and principal of this bond shall be payable upon presentation and surrender of this bond by the Registered Owner at the principal office at the principal office of the fiscal agency of the State of Washington (the "Bond Registrar"); provided, however, that if so requested in writing by the Registered Owner of at least \$1,000,000 principal amount of bonds, interest will be paid by wire transfer on the date due to an account with a bank located within the United States.

This bond is one of a duly authorized series of bonds aggregating \$_____ principal amount and designated as "Electric Revenue Bonds, Series 2024." This bond and the bonds of the series of which it is a part (the "Bonds") are issued under and pursuant to Resolution No. _____ (the "Bond Resolution"), and under the authority of and in full compliance with the Constitution and laws of the State of Washington, including Title 54 of the Revised Code of Washington. The Bonds are issued for the purpose of financing capital improvements to the Electric System. The Bond Resolution permits the issuance of Additional Bonds payable from the Bond Fund ranking on a parity with the 2013B Bonds, the 2016A Bonds, the 2020A Bonds, the 2020B Bonds and the Bonds and secured by an equal charge and lien on the Revenues of the Electric System (as such terms are defined in the Bond Resolution).

Copies of the Bond Resolution are on file at the principal office of the District and at the principal office of each paying agent for this Bond, and reference thereto, and to any and all modifications and amendments thereof, is hereby made for a more complete description of the Revenues available for the payment of the principal of and interest on the Bonds and the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds have been issued, and the terms and conditions upon which this Bond shall no longer be secured by the Bond Resolution or deemed to be outstanding hereunder if money or certain specified securities sufficient for the payment of this Bond shall have been set aside in a special account and held in trust solely for the payment thereof.

Under the Bond Resolution, the District is obligated to set aside and pay into the Bond Fund out of the Revenues of the Electric System, certain fixed amounts sufficient to pay the principal of and interest and premium, if any, on all Bonds and any bonds at any time outstanding issued on a parity therewith payable from such Fund as the same become due and payable, all as is more fully provided in the Bond Resolution. The 2013B Bonds, the 2016A Bonds, the 2020A Bonds, the 2020B Bonds, the Bonds and any bonds issued on a parity therewith payable from the Bond Fund and the interest thereon constitute the only charge against the Bond Fund and the amount of the Revenues pledged to said Bond Fund.

In the Bond Resolution, the District covenants to establish, maintain and collect rates or charges for electric energy and other services, facilities and commodities sold, furnished or supplied by the Electric System which shall be fair and nondiscriminatory and adequate to provide Revenues sufficient for the fixed amounts which the District is obligated to set aside in the Bond Fund to pay the principal of and interest and premium, if any, on this Bond and the series of Bonds of which this Bond is a part, and any other bonds payable from said Fund on a parity with the Bonds and for the proper operation and maintenance of the Electric System, and all necessary repairs thereto and replacements and renewals thereof.

The Bonds are subject to redemption prior to maturity as set forth in the Bond Resolution and the Official Statement relating to the Bonds.

This Bond shall be transferable by the Registered Owner at the principal offices of the Bond Registrar upon surrender and cancellation of this Bond, and thereupon a new registered Bond of the same principal amount and interest rate and maturity will be issued to the transferee as provided in the Bond Resolution. The District, the Bond Registrar and any other person may treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment hereof and for all purposes and shall not be affected by any notice to the contrary, whether this Bond be overdue or not.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution (as hereinafter defined) until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar or its duly designated agent.

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

IN WITNESS WHEREOF, Public Utility District No. 1 of Franklin County, Washington, by its Commission, has caused this Bond to be executed in its name with the manual or facsimile signature of the President or Vice President of its Commission, and attested by the manual or facsimile signature of the Secretary thereof, and the manual or facsimile seal of said District to be imprinted hereon, all as of the ____ day of _____, 2024.

PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN
COUNTY, WASHINGTON

/s/ manual or facsimile signature

Commission [Vice] President

(SEAL)

Attest:

/s/ manual or facsimile signature

Commission Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication: _____

This bond is one of the bonds described in the within-mentioned Bond Resolution and is one of the Electric Revenue Bonds, Series 2024 of Public Utility District No. 1 of Franklin County, Washington, dated _____, 2024.

WASHINGTON STATE FISCAL AGENCY Bond
Registrar

By _____
Authorized Signer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER
IDENTIFICATION NUMBER OF TRANSFEREE

(Please print or typewrite name and address, including zip code, of Transferee)

the within bond and does hereby irrevocably constitute and appoint _____ of
_____, or its successor, as Bond Registrar to transfer said bond on the
books kept for registration thereof with full power of substitution in the premises.

DATED: _____, ____.

SIGNATURE GUARANTEED:

Signature(s) must be guaranteed
pursuant to law.

NOTE: The signature on this Assignment must
correspond with the name of the Registered Owner
as it appears upon the face of the within bond in
every particular, without alteration or enlargement or
any change whatever.

ARTICLE XIV

ONGOING DISCLOSURE

Section 14.1 Undertaking to Provide Ongoing Disclosure. To meet the requirements of paragraph (b)(5) of Rule 15c2-12, as applicable to a participating underwriter for the 2024 Bonds, the District makes the following written undertaking (the "Undertaking") for the benefit of holders of the 2024 Bonds:

A. Undertaking to Provide Annual Financial Information and Notice of Listed Events. The District undertakes to provide or cause to be provided, either directly or through a designated agent, to the MSRB, in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

(i) Annual financial information and operating data of the type included in the final official statement for the 2024 Bonds and described in paragraph (b) ("annual financial information");

(ii) Timely notice (not in excess of 10 business days after the occurrence of the event) of the occurrence of any of the following events with respect to the 2024 Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the 2024 Bonds, or other material events affecting the tax status of the 2024 Bonds; (7) modifications to rights of holders of the 2024 Bonds, if material; (8) bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the 2024 Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District, as such “Bankruptcy Events” are defined in Rule 15c2-12; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or obligated person, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District or obligated person, any of which reflect financial difficulties. The term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

(iii) Timely notice of a failure by the District to provide required annual financial information on or before the date specified in paragraph B.

B. Type of Annual Financial Information Undertaken to be Provided. The annual financial information that the District undertakes to provide in paragraph A:

(i) Shall consist of (a) annual financial statements of the Electric System prepared in accordance with generally accepted accounting principles applicable to government entities, and in accordance with regulations prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) and substantially in accordance with the system prescribed by the Federal Energy Regulatory Commission; (b) the outstanding long-term indebtedness of the Electric System, and any system of the District which provides power or capacity to the Electric System; (c) Electric System retail customers, energy sales, peak demands and revenue; (d) Electric System operating results and debt service coverage on the outstanding Bonds; and (e) aggregate amount and percentage of total energy sold and of retail revenues provided by the Electric System’s ten largest customers;

(ii) Shall be provided not later than the last day of the ninth month after the end of each fiscal year of the District (currently, a fiscal year ending December 31), as such fiscal year may be changed as required or permitted by State law, commencing with a report due no later than September 30, 2024, for the District’s fiscal year ending December 31, 2023; and

(iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

If not submitted as part of the annual financial information described in paragraph (b)(i) above, the District will provide or cause to be provided to the MSRB audited financial statements, when and if available.

C. Amendment of Undertaking. This Undertaking is subject to amendment after the primary offering of the 2024 Bonds without the consent of any holder of any 2024 Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, Rating Agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12. The District will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

D. Beneficiaries. This Undertaking shall inure to the benefit of the District and the holder of each 2024 Bond, and shall not inure to the benefit of or create any rights in any other person.

E. Termination of Undertaking. The District's obligations under this Undertaking shall terminate upon the legal defeasance of all of the 2024 Bonds. In addition, the District's obligations under this Undertaking shall terminate if the provisions of Rule 15c2-12 that require the District to comply with this Undertaking become legally inapplicable in respect of the 2024 Bonds for any reason, as confirmed by an opinion of Bond Counsel delivered to the District, and the District provides timely notice of such termination to the MSRB.

F. Remedy for Failure to Comply with Undertaking. As soon as practicable after the District learns of any failure to comply with this Undertaking, the District will proceed with due diligence to cause such noncompliance to be corrected. No failure by the District or other obligated person to comply with this Undertaking shall constitute an Event of Default in respect of the 2024 Bonds. The sole remedy of any holder of a 2024 Bond shall be to take action to compel the District or other obligated person to comply with this Undertaking, including seeking an order of specific performance from an appropriate court.

G. Designation of Official Responsible to Administer Undertaking. The Treasurer or the Treasurer's designee is authorized to take such further actions as may be necessary, appropriate or convenient to carry out this Undertaking in accordance with Rule 15c2-12, including the following actions:

(i) Preparing and filing the annual financial information undertaken to be provided;

(ii) Determining whether any event specified in paragraph A has occurred, assessing its materiality, where necessary, with respect to the 2024 Bonds, and preparing and disseminating any required notice of its occurrence;

(iii) Determining whether any person other than the District is an "obligated person" within the meaning of Rule 15c2-12 with respect to the 2024 Bonds, and obtaining from

such person an undertaking to provide any annual financial information and notice of listed events for that person required under Rule 15c2-12;

(iv) Selecting, engaging and compensating designated agents and consultants, including financial advisors and legal counsel, to assist and advise the District in carrying out this Undertaking; and

(v) Effecting any necessary amendment of this undertaking.

ARTICLE XV

MISCELLANEOUS, SALE OF 2024 BONDS, DEFEASANCE

Section 15.1 Resolution and Laws a Contract With Bondowners. This Resolution is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington, including Title 54 of the Revised Code of Washington, as amended and supplemented. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of this Resolution and of any Supplemental Resolution authorizing the issuance of Additional Bonds, and of said laws shall constitute a contract with the owner or owners of each Bond and the obligations of the District and its Commission under said acts and under this Resolution shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein set forth to be performed on behalf of the District shall be for the equal benefit, protection and security of the owners of any and all of said Bonds all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of said Bonds over any others thereof except as expressly provided herein.

Section 15.2 Bonds Deemed No Longer to be Outstanding Hereunder. In the event that the District, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Bond Fund or in another special account, held in trust by the District or by a qualified trustee, advance refunding bond proceeds or other money lawfully available or direct obligations of the United States Government ("Government Obligations"), or any combination of such proceeds, money and/or Government Obligations, in amounts which, together with known earned income from the investment thereof are sufficient to redeem, retire or pay such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such proceeds, money and/or Government Obligation are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on such Bond, and the owner of such Bond shall cease to be entitled to any lien, benefit or security of this Resolution, or any other resolution of the District, except the right to receive payment of principal, premium, if any, and interest from such special account, and such Bonds shall be deemed not to be outstanding hereunder.

Section 15.3 Benefits of Resolution Limited to District, Bondowners and Bond Registrar. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon or give to any person or corporation other than the District, the Bond Registrar and the owners from time to time of the Bonds any rights, remedies or claims under or by reason of this Resolution or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Resolution contained by or on behalf of the District shall be for the sole and exclusive benefit of the District, the Bond Registrar and the owners from time to time of the Bonds.

Section 15.4 Official Statement.

(1) Preliminary Official Statement. The Designated Representative shall review and, if acceptable to him or her, approve each preliminary Official Statement prepared in connection with the sale of any Series of 2024 Bonds to the public. For the sole purpose of the Underwriter's compliance with paragraph (b)(1) of Rule 15c2-12, the Designated Representative is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The District approves the distribution to potential bond purchasers of a preliminary Official Statement that has been approved and deemed final by the Designated Representative, if applicable, in accordance with this subsection, and to approve any amendments thereto.

(2) Approval of Final Official Statement. The District approves the preparation of a final Official Statement for each Series of the 2024 Bonds to be sold to the public in the form of the preliminary Official Statement that has been approved and deemed final in accordance with subsection (1) with such modifications and amendments as the Designated Representative deems necessary or desirable, and further authorizes the Designated Representative to execute and deliver such final Official Statement to the Underwriter if required under Rule 15c2-12, and to approve amendments thereto. The District authorizes and approves the distribution by the Underwriter of the final Official Statement so executed and delivered to purchasers and potential purchasers of a Series of the 2024 Bonds.

Section 15.5 Sale of 2024 Bonds. The General Manager, or the Finance and Customer Service Director in the absence of the General Manager, is appointed as the District's Designated Representative. The Commission has determined that it is in the best interest of the District to delegate to the Designated Representative the authority to approve the number of Series, the Series designations, final principal amounts, date of the Bonds, denominations, interest rates, payment dates, redemption provisions, whether a Series is taxable or tax-exempt, whether to have the 2024 Bonds secured by the Reserve Account and/or to set the reserve requirement, and maturity dates for the 2024 Bonds to be set forth in the Pricing Certificate to be signed by the Designated Representative, in the manner provided herein, provided that:

A. The 2024 Bonds may be issued in one or more Series, and the aggregate principal amount of all 2024 Bonds shall not exceed \$20,000,000;

B. The true interest cost to the District for each Series of the 2024 Bonds does not exceed 5.50%;

C. The aggregate purchase price for each Series of 2024 Bonds shall not be less than 98% or more than 120% of the stated principal amount of the 2024 Bonds;

D. The 2024 Bonds shall mature no later than December 31, 2049;

E. The 2024 Bonds may be issued subject to optional and mandatory redemption provisions; and

F. The 2024 Bonds shall be dated as of the date of their delivery, which date for the issuance and delivery of the 2024 Bonds shall not be later than December 31, 2024.

The Designated Representative may determine whether it is in the District's best interest to provide for bond insurance or other credit enhancement or surety bond, which will satisfy the

requirements of Qualified Insurance; and may accept such additional terms, conditions and covenants or enter into any additional agreement as he may determine are in the best interests of the District, consistent with this Resolution.

In determining the number of Series, the Series designations, final principal amounts, date of the Bonds, denominations, interest rates, payment dates, redemption provisions, tax status, and maturity dates for the 2024 Bonds, the Designated Representative, in consultation with other District officials and staff and advisors, shall take into account those factors that, in the judgment of the Designated Representative, will result in the lowest true interest cost on the 2024 Bonds to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable to the 2024 Bonds.

The 2024 Bonds shall be sold by negotiated sale to RBC Capital Markets, LLC (the "Underwriter"). Subject to the terms and conditions set forth in this Section 15.5, the Designated Representative is hereby authorized to execute a purchase contract to be presented by the Underwriter (the "Bond Purchase Contract") on behalf of the District upon the determination by the Designated Representative that the conditions of this Section 15.5 have been met. The Designated Representative's execution of the Bond Purchase Contract shall be conclusive evidence that these conditions have been met.

The 2024 Bonds will be printed at District's expense and will be delivered to the Underwriter in accordance with the Bond Purchase Contract, with the approving legal opinion of Foster Garvey P.C., municipal bond counsel of Seattle, Washington, regarding the 2024 Bonds.

Section 15.6 Severability. If any one or more of the covenants or agreements provided in this Resolution on the part of the District to be performed shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Resolution or of the 2024 Bonds issued hereunder.

Section 15.7 General Authorization. The General Manager of the District, the Finance and Customer Service Director, Treasurer and the President, Vice President and Secretary of the Commission and each of the other appropriate officers of the District are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this Resolution.

Section 15.8 Adjustment of Amounts. The amounts stated in subsection B of Section 9.6 and Section 9.7 hereof may, at the option of the District, be adjusted according to the Federal Consumer Price Index applicable to the District, or, if such consumer price index is no longer published, such other similar governmentally published index of prices computed from January 1, 1986.

Section 15.9 Prior Acts. All acts taken pursuant to the authority of this Resolution but prior to its effective date are hereby ratified and confirmed.

Section 15.10 Effective Date of Resolution. This Resolution shall be in effect from and after its adoption in accordance with law.

ADOPTED by the Commission of Public Utility District No. 1 of Franklin County, Washington, at a meeting thereof this 23rd day of January, 2024.

Stuart Nelson, President

Roger Wright, Vice President

William Gordon, Secretary

CERTIFICATE

I, the undersigned, Secretary of the Commission of Public Utility District No. 1 of Franklin County, Washington, and keeper of the records of said Commission (herein called the "Commission"), DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Resolution No. 1405 (herein called the "Resolution") of the Commission, duly adopted at a meeting thereof held on the 23rd day of January, 2024.

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

IN WITNESS WHEREOF, I have hereunto set my hand this 23rd day of January, 2024.

William Gordon, Secretary of the Commission

AGENDA ITEM 5

Franklin PUD Commission Meeting Packet
Agenda Item Summary

Presenter: Rosario Viera
Public Information Officer
Date: January 23, 2024

☐ REPORTING ONLY
☐ FOR DISCUSSION
☒ **ACTION REQUIRED**

1. **OBJECTIVE:**

Adopting a Resolution Revising the District's Organizational Statement and Superseding Resolution 1378.

2. **BACKGROUND:**

The District's Organizational Statement provides general organizational information such as the office locations and business hours, contact information, and details when and where the regular Commission meetings will take place. The District's current Organizational Statement was last revised in 2022 and adopted via Resolution 1378.

At the November 14, 2023 regular Commission meeting, staff brought forth the matter of changing the District's business hours to reflect a 4-days x 10 hours (4x10) work schedule. This would require changing the District's current business hours to Monday to Thursday, closed on Fridays, opening at 7:00 a.m. and closing at 6:00 p.m.

At the December 12, 2023, the Commission agreed to move forward with the proposed hours of operation change to be effective January 1, 2024. In addition, the matter of changing the Commission meeting start times to 8:30 a.m. was discussed and agreed upon.

Attachment A shows the Organizational Statement with the proposed hours of operation and Commission meeting times changed as was discussed. Other administrative changes were done to make the document current.

The updated District's Organizational Statement is included as Exhibit A of Resolution 1403. Staff recommends that the Commission adopt Resolution 1403 as presented.

3. **SUGGESTED MOTION:**

I move to adopt Resolution 1403 as presented.

FRANKLIN PUD

Organizational Statement

1. Public Utility District No. 1 of Franklin County (Franklin PUD) is engaged in the transmission, distribution, and sale of electric energy in Franklin County, as well as the construction, development, operation, and maintenance of wholesale broadband services. Certain areas within Franklin County are served by other power companies.
2. Franklin PUD's administration building is located at 1411 W. Clark in Pasco, WA, and its operations center at 2103 N. 4th Ave, Pasco, WA. The business hours for the:
 - administration building lobby and drive thru are ~~7:08:30~~ a.m. to ~~65:00~~ p.m., and
 - ~~drive thru at the administrative building are 8:00 a.m. to 5:30 p.m., and~~
 - operations center are ~~67:00~~ a.m. to ~~4:300~~ p.m.

Facilities are open Monday through ~~Thursday~~Friday, excluding Friday and holidays observed by Franklin PUD. Field crews are stationed in Pasco and Connell during business hours.

3. Franklin PUD's contact information is as follows:

Physical Address: 1411 W. Clark Street, Pasco, WA 99302-2407

Mailing Address: PO Box 2407, Pasco, WA 99302-2407

Phone: 509-547-5591 or Toll Free 1-800-638-7701 Fax: 509-546-5972

Email: franklin@franklinpud.com Website: <http://www.franklinpud.com>

4. Franklin PUD is a municipal corporation organized under the laws of the State of Washington, RCW 54. The governing board consists of three elected Commissioners. Each Commissioner is elected for a six-year term and a Commissioner position is on the ballot every two years.
5. The Commissioners establish Franklin PUD policy and appoint a General Manager/~~CEO-~~ who is charged with the responsibility of operating Franklin PUD within established policies and guidelines. The Rules and Regulations for Electric Service of Franklin PUD are published and available to the public upon request or anytime on Franklin PUD's website at www.franklinpud.com
6. Franklin PUD's Commission meetings are regularly scheduled at ~~1:00 p.m.~~8:30 a.m. on the second and fourth Tuesdays of each month in Franklin PUD's auditorium at the administrative building located at 1411 W. ~~est~~ Clark Street and are open to the public. Each year, the Commission Meeting Schedule is approved by motion and made available to the public upon request or anytime on the website at www.franklinpud.com

The meeting schedule is subject to change based upon the business needs of Franklin PUD. All persons interested in attending a Franklin PUD Commission meeting should contact Franklin PUD prior to a regularly scheduled meeting to confirm whether the meeting will occur. Rules of procedure and official actions of the board are recorded in the meeting minutes.

Options and guidelines for public attendance are found in the Public Participation at Commission Meetings Policy, available to the public upon request or anytime on the Franklin PUD's website at www.franklinpud.com

Virtual attendance options are provided for each meeting of the Commission.

7. Franklin PUD maintains an official record of minutes from the Commission meetings in which the following items may be found: final opinions and decisions of the Commission, statements and interpretations of policy, administrative staff assignments and instructions, all of which are retained in Franklin PUD files in accordance with the laws of the State of Washington.
8. The following location constitutes Franklin PUD's State Environmental Policy Act (SEPA) Public Information Center:

Public Utility District No. 1 of Franklin County (Franklin PUD)
1411 W. Clark Street
Pasco, WA 99301
(509) 547-5591

9. The established place where information is available to the public is the administration building located at 1411 W. Clark Street. Access to public records may be obtained from the Public Records Officer upon written request. Any indexes of Franklin PUD's public records created for internal purposes are also available to the public. Adequate facilities are available in the administration building for the purpose of inspecting and copying public records of Franklin PUD in accordance with the Records Request Policy. A charge that reimburses Franklin PUD for its actual costs for copying will be made.

This Organizational Statement has been approved by Resolution ~~1403~~1403 at the ~~September 27, 2022~~January 23, 2024 ~~Regular~~ Special Commission meeting and can only be changed by further resolution.

RESOLUTION 1403

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF PUBLIC UTILITY DISTRICT NO. 1, OF FRANKLIN COUNTY, WASHINGTON**

**APPROVING A REVISED DISTRICT ORGANIZATIONAL STATEMENT AND SUPERSEDING
RESOLUTION 1378**

WHEREAS, RCW 42.30.070 requires public agencies to formally establish and make public the regular meeting schedule of the Board of Commissioners (the Commission), which the Public Utility District No.1 of Franklin County (the District) does by way of an Organizational Statement; and

WHEREAS, the District's Organizational Statement was last revised and adopted via Resolution 1378 on September 27, 2022; and

WHEREAS, the Organizational Statement sets out the Commissioner's regular meeting schedule, the office locations and business hours, contact information, and other pertinent District information, and

WHEREAS, Commission meetings are regularly scheduled on the second and fourth Tuesdays of each month for 1:00 p.m. in the Auditorium at the Pasco administration office, located at 1411 West Clark Street; and

WHEREAS, since the adoption of the Organizational Statement in 2022 the District has revised the business hours to Monday through Thursday, 7:00 a.m. to 6:00 p.m., except Friday and observed holidays, and were effective January 1, 2024, and

WHEREAS, at the December 12, 2023 the Commission brought forth the matter of changing the regularly scheduled Commission meetings start time, and

WHEREAS after discussion the Commission agreed to change the regularly scheduled Commission meetings start time to 8:30 a.m., and

WHEREAS, the Organizational Statement has been revised to include the updated business hours, new start time for regularly scheduled Commission meetings, and other changes to bring the document current, now therefore

BE IT RESOLVED that the Organizational Statement set forth as Exhibit A of this Resolution supersedes all earlier Organizational Statements.

BE IT FURTHER RESOLVED that the Organizational Statement is effective January 23, 2024.

BE IT FURTHER RESOLVED that Resolution 1378 is superseded.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Franklin County at an open public meeting this 23rd day of January 2024.

Stuart Nelson, President

Roger Wright, Vice President

William Gordon, Secretary

FRANKLIN PUD

Organizational Statement

1. Public Utility District No. 1 of Franklin County (Franklin PUD) is engaged in the transmission, distribution, and sale of electric energy in Franklin County, as well as the construction, development, operation, and maintenance of wholesale broadband services. Certain areas within Franklin County are served by other power companies.
2. Franklin PUD's administration building is located at 1411 W. Clark in Pasco, WA, and its operations center at 2103 N. 4th Ave, Pasco, WA. The business hours for the:

- administration building lobby and drive thru are 7:00 a.m. to 6:00 p.m., and
- operations center are 6:00 a.m. to 4:30 p.m.

Facilities are open Monday through Thursday, excluding Friday and holidays observed by Franklin PUD. Field crews are stationed in Pasco and Connell during business hours.

3. Franklin PUD's contact information is as follows:

Physical Address: 1411 W. Clark Street, Pasco, WA 99302-2407
Mailing Address: PO Box 2407, Pasco, WA 99302-2407

Phone: 509-547-5591 or Toll Free 1-800-638-7701 Fax: 509-546-5972

Email: franklin@franklinpud.com Website: <http://www.franklinpud.com>

4. Franklin PUD is a municipal corporation organized under the laws of the State of Washington, RCW 54. The governing board consists of three elected Commissioners. Each Commissioner is elected for a six-year term and a Commissioner position is on the ballot every two years.
5. The Commissioners establish Franklin PUD policy and appoint a General Manager/CEO who is charged with the responsibility of operating Franklin PUD within established policies and guidelines. The Rules and Regulations for Electric Service of Franklin PUD are published and available to the public upon request or anytime on Franklin PUD's website at www.franklinpud.com
6. Franklin PUD's Commission meetings are regularly scheduled at 8:30 a.m. on the second and fourth Tuesdays of each month in Franklin PUD's auditorium at the administrative building located at 1411 W. Clark Street and are open to the public. Each year, the Commission Meeting Schedule is approved by motion and made available to the public upon request or anytime on the website at www.franklinpud.com

The meeting schedule is subject to change based upon the business needs of Franklin PUD. All persons interested in attending a Franklin PUD Commission meeting should contact Franklin PUD

Exhibit A, Resolution 1403

prior to a regularly scheduled meeting to confirm whether the meeting will occur. Rules of procedure and official actions of the board are recorded in the meeting minutes.

Options and guidelines for public attendance are found in the Public Participation at Commission Meetings Policy, available to the public upon request or anytime on the Franklin PUD's website at www.franklinpud.com

Virtual attendance options are provided for each meeting of the Commission.

7. Franklin PUD maintains an official record of minutes from the Commission meetings in which the following items may be found: final opinions and decisions of the Commission, statements and interpretations of policy, administrative staff assignments and instructions, all of which are retained in Franklin PUD files in accordance with the laws of the State of Washington.
8. The following location constitutes Franklin PUD's State Environmental Policy Act (SEPA) Public Information Center:

Public Utility District No. 1 of Franklin County (Franklin PUD)
1411 W. Clark Street
Pasco, WA 99301
(509) 547-5591

9. The established place where information is available to the public is the administration building located at 1411 W. Clark Street. Access to public records may be obtained from the Public Records Officer upon written request. Any indexes of Franklin PUD's public records created for internal purposes are also available to the public. Adequate facilities are available in the administration building for the purpose of inspecting and copying public records of Franklin PUD in accordance with the Records Request Policy. A charge that reimburses Franklin PUD for its actual costs for copying will be made.

This Organizational Statement has been approved by Resolution 1403 at the January 23, 2024 Special Commission meeting and can only be changed by further resolution.

AGENDA ITEM 6

Franklin PUD Commission Meeting Packet
Agenda Item Summary

Presenter: Rosario Viera
Public Information Officer
Date: January 23, 2024

☐ REPORTING ONLY
☐ FOR DISCUSSION
☒ **ACTION REQUIRED**

1. OBJECTIVE:

Adopting a Resolution Revising the Hours of the Agent for Service of Claims for the District and Superseding Resolution 1369.

2. BACKGROUND:

RCW 4.96.020 requires the Commission appoint an “agent” for service of damage claims being asserted against the District, and file the name, address, and normal business hours of this agent with the Franklin County Auditor.

Resolution 1369 appointing Mr. Victor Fuentes, Engineering & Operations Senior Director as the claims agent has the District’s hours listed as Monday through Friday, 8:30 a.m. to 5 p.m. which needs to be updated to reflect the new business hours.

Staff recommends the Commission adopt Resolution 1406 revising the hours of the claims agent to Monday through Thursday, 7:00 a.m. to 6:00 p.m., except Fridays and District observed holidays. Adopting Resolution 1406 also instructs staff to file the resolution with the Franklin County Auditor as per the RCW.

3. SUGGESTED MOTION:

I move to adopt Resolution 1406 as presented.

RESOLUTION 1406

**A RESOLUTION OF THE BOARD OF COMMISSIONERS
OF PUBLIC UTILITY DISTRICT NO 1 OF FRANKLIN COUNTY, WASHINGTON**

**REVISING THE HOURS OF THE AGENT FOR SERVICE OF DAMAGE CLAIMS FOR THE DISTRICT
AND SUPERSEDING RESOLUTION 1369**

WHEREAS, the Board of Commissioners (the Commission) of Public Utility District No. 1 of Franklin County (the District) is required, pursuant to Revised Code of Washington (RCW) 4.96.020, to appoint an agent to receive any claim for damages made against the District; and

WHEREAS, effective January 1, 2024 the business hours were changed to Monday through Thursday, 7:00 a.m. to 6:00 p.m. except Friday and District observed holidays, and

WHEREAS, the Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington appointed Victor Fuentes via Resolution 1369 as the agent for service of claims against the District effective as of March 22, 2022, and

WHEREAS, RCW 4.96.020 further requires that the District record the identity of the agent and the address where he or she may be reached during the normal business hours of the District with the Franklin County Auditor's office; and

WHEREAS, RCW 4.96.020 requires that all claims for damages being asserted against the District be presented to the agent within the applicable period of limitations within which a lawsuit may be commenced; now therefore

BE IT RESOLVED THAT the appointment of Mr. Fuentes as the claims agent will continue.

BE IT FURTHER RESOLVED THAT Mr. Fuentes' business address is 1411 W. Clark Street, Pasco, Washington, 99301 and normal business hours are 7:00 a.m. to 6:00 p.m., Monday through Thursday, except Friday and District observed holidays,

BE IT FURTHER RESOLVED that Resolution 1369 is superseded; and

BE IT FURTHER RESOLVED, that a copy of this resolution shall be filed with the office of the Franklin County Auditor for recording.

ADOTPED BY the Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington at an open public meeting this 23rd of January, 2024.

Stuart Nelson, President

Roger Wright, Vice President

William Gordon, Secretary

AGENDA ITEM 7

Franklin PUD Commission Meeting Packet
Agenda Item Summary

Presenter: Steve Ferraro
Assistant General Manager
Date: January 23, 2024

☐ REPORTING ONLY
☐ FOR DISCUSSION
☒ ACTION REQUIRED

1. OBJECTIVE:

Authorizing the General Manager/CEO or his Designee to Execute a Contract for the Purchase of a Passive Optical Network Required for the Connell and Basin City Fiber-To-The-Home Project.

2. BACKGROUND:

The Washington State Broadband Office (WSBO) was awarded Coronavirus Capital Program Funds by the U.S. Department of the Treasury. The District applied and qualified for up to \$4,854,610 in funding to build a fiber infrastructure for the City of Connell and Basin City. The funding process includes WSBO review to bid advertisements and scope of work approval.

In November 2023, the District requested bids in accordance with the WSBO Infrastructure Acceleration Grants Handbook from vendors for a passive optical network (PON). Staff received and evaluated four (4) bids:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
General Pacific	\$130,001	No
Power & Tel/Radisys	\$103,264	Yes, non-responsive
Power & Tel/Adtran	\$146,295	No
Wesco/Anixter	\$137,796	Yes

The bid submitted by Power & Tel/Radisys was marked as having no exceptions, however during evaluation the District discovered the bid had major exceptions to the District's specifications that included the inability to support D-Class optics, Extended (37.6km) Optical Line Terminal PON Splits, Maximum (37.5+km-Ex=60km) Optical Line Terminal PON Split, or the Radius security software. These exceptions are not acceptable to the District.

Staff determined that the bid submitted by General Pacific was the lowest responsive bid and was within the District's estimate.

Staff recommends that the Commission find the bid submitted by Power & Tel/Radisys non-responsive and authorize the General Manager/CEO or his designee execute a contract with General Pacific, the lowest responsive bidder, for the purchase of a passive optical network in an amount not to exceed \$130,001.

3. SUGGESTED MOTION:

I move to find the bid submitted by Power & Tel/Radisys non-responsive and authorize the General Manager/CEO or his designee to execute a contract with General Pacific, the lowest responsive bidder, for the purchase of a passive optical network in an amount not to exceed \$130,001.

AGENDA ITEM 8
Franklin PUD Commission Meeting Packet
Agenda Item Summary

Presenter: Victor Fuentes
Engineering & Operations Senior Director
Date: January 23, 2024

☐ REPORTING ONLY
☐ FOR DISCUSSION
☒ **ACTION REQUIRED**

1. OBJECTIVE:

Authorizing the General Manager/CEO or his Designee to Execute a Contract Extension with Pacific Pole Inspection, LLC for Pole Testing and Treatment.

2. BACKGROUND:

In September 2022, the District issued Small Works Roster Quote 10048 for the labor and material required to inspect, test, photograph, and treat wood poles throughout the District's service territory. The District entered into contract with Pacific Pole Inspection LLC, who submitted the lowest responsive quote. The contract was based on unit price for hours worked.

The initial term of the contract began on September 13, 2022 through January 31, 2023 and allows for the option to extend for two additional one-year terms and for an increase to the unit price. The District executed the second extension for February 1, 2023 through January 31, 2024.

The District would like to execute the final available extension to begin February 1, 2024 through January 31, 2025. The extension will include an increase of 3% for all unit pricing with a not to exceed amount of \$116,200, including applicable taxes. Funding for this was approved in the 2024 budget.

Staff recommends that the Commission authorize the General Manager/CEO or his designee to execute the final extension to Contract 10048 with Pacific Pole Inspection LLC, for year three funding in the amount not to exceed \$116,200, which includes a 3% increase for unit pricing and applicable taxes.

3. SUGGESTED MOTION:

I move to authorize the General Manager/CEO or his designee to execute the final extension to Contract 10048 with Pacific Pole Inspection LLC, for year three funding, beginning February 1, 2024 through January 31, 2025, in the amount not to exceed \$116,200, which includes a 3% increase for unit pricing and applicable taxes.

AGENDA ITEM 9

Franklin PUD Commission Meeting Packet

Agenda Item Summary

Presenter: Victor Fuentes
Engineering & Operations Senior Director
Date: January 23, 2024

☐ REPORTING ONLY
☐ FOR DISCUSSION
☒ ACTION REQUIRED

1. OBJECTIVE:

Authorizing the General Manager/CEO or his Designee to Execute a Contract for the Purchase of Padmount Switchgear.

2. BACKGROUND:

In December 2023, the District requested sealed bids from contractors for the purchase of padmount switchgear required to meet the District's needs. Staff received and evaluated three (3) bids:

<u>Bidder:</u>	<u>Total Bid:</u>	<u>Exceptions:</u>
Stuart C Irby Co.	\$493,627	No
General Pacific	\$500,915	No
Wesco/Anixter	\$546,705	Yes

The bid submitted by Wesco/Anixter indicated that it had exceptions, but none were discovered during the District's evaluation.

Staff determined that the bid submitted by Stuart C Irby Co. was the lowest responsive bid and was within the District's estimate.

Staff recommends that the Commission authorize the General Manager/CEO or his designee execute a contract with Stuart C Irby Co., the lowest responsive bidder, for the purchase of padmount switchgear in an amount not to exceed \$493,627.

3. SUGGESTED MOTION:

I move to authorize the General Manager/CEO or his designee to execute a contract with Stuart C Irby Co., the lowest responsive bidder, for the purchase of padmount switchgear in an amount not to exceed \$493,627.

AGENDA ITEM 10

Franklin PUD Commission Meeting Packet

Agenda Item Summary

Presenter: Scott Rhees
General Manager/CEO
Date: January 23, 2024

☐ REPORTING ONLY
☐ FOR DISCUSSION
☒ **ACTION REQUIRED**

1. OBJECTIVE:

Discussing and Updating the District's Strategic Plan.

2. BACKGROUND:

The current Strategic Plan was last approved in 2018 and expired at the end of 2023. While the plan has been updated every 3-5 years with the Strategic Priorities changing, what has not changed is that they are centered on our Guiding Principles. The Guiding Principles which were affirmed by the Commission in September 2023 are as follows:

Safety First - be safe in all we do, maintain low stable power **Rates** for our customers, ensure our systems remain strong to provide them with **Reliable** service, and to develop strong supportive **Relationships** with our customers and community partners.

With assistance from a facilitator new Strategic Priorities and Goals will be created around these. Staff recommends the Commission review, discuss, and update the Strategic Plan as deemed appropriate.

3. SUGGESTED MOTION:

I move to approve the updated Strategic Plan as agreed upon today.



Year End 2023






Monthly Key Performance Indicators

EXECUTIVE SUMMARY

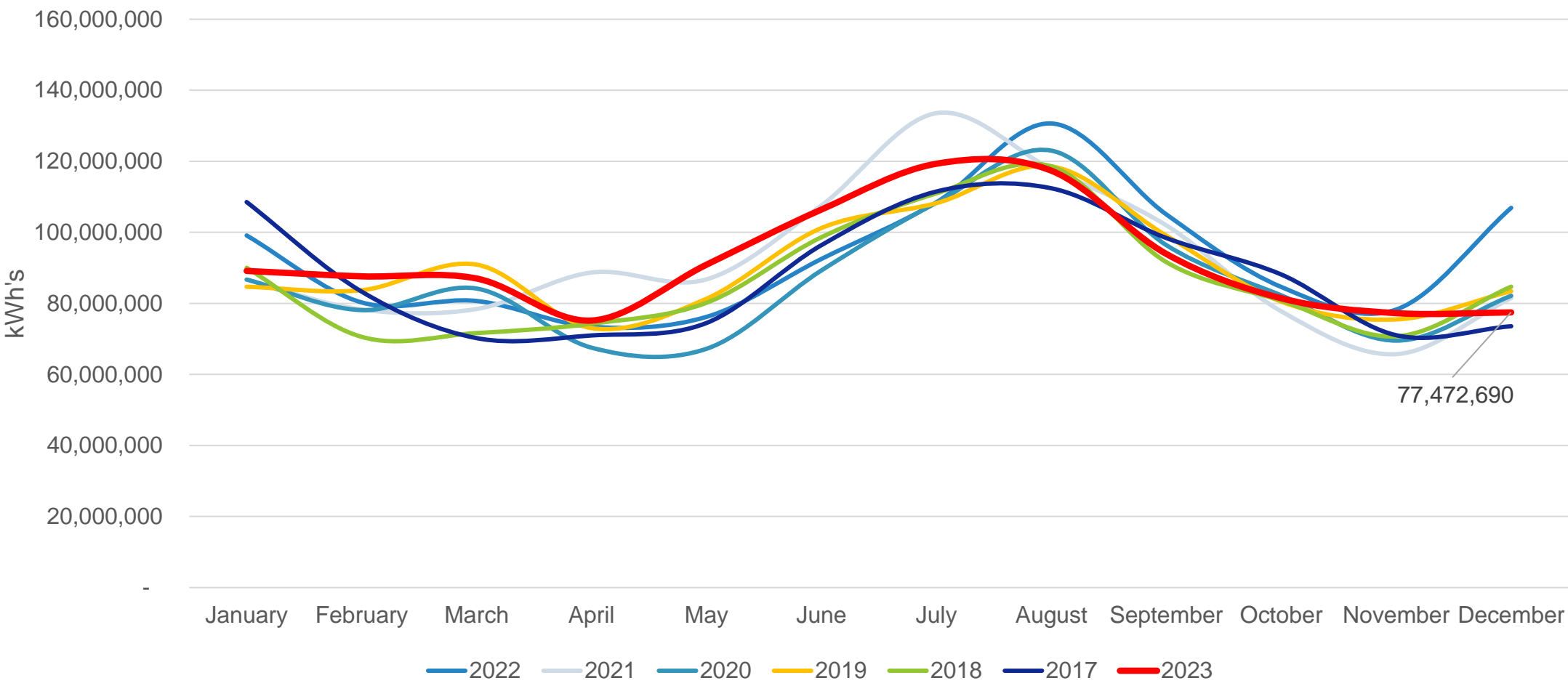
The year ended with mild December temperatures causing lower than average retail loads and corresponding power costs.

This was in sharp contrast with December 2022 which had much lower than average temps and a week long cold snap, causing high power costs due to exposure to market pricing.

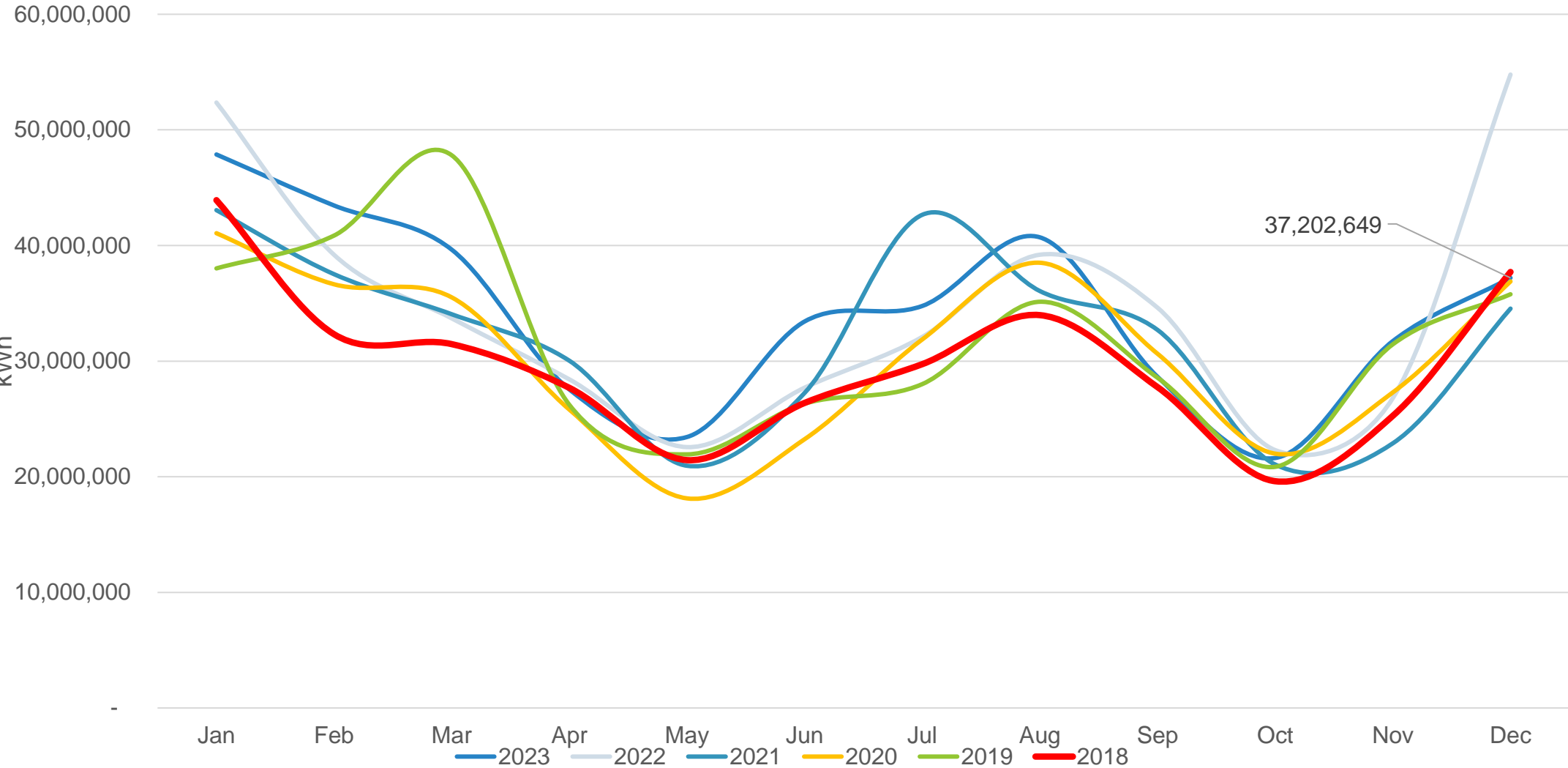
Retail Load in 2023 compared to 2022:

Total Retail kwh Sales	 1.27%
Residential	 .89%
Industrial	 8.56%
General	 1.24%
Irrigation	 7.14%

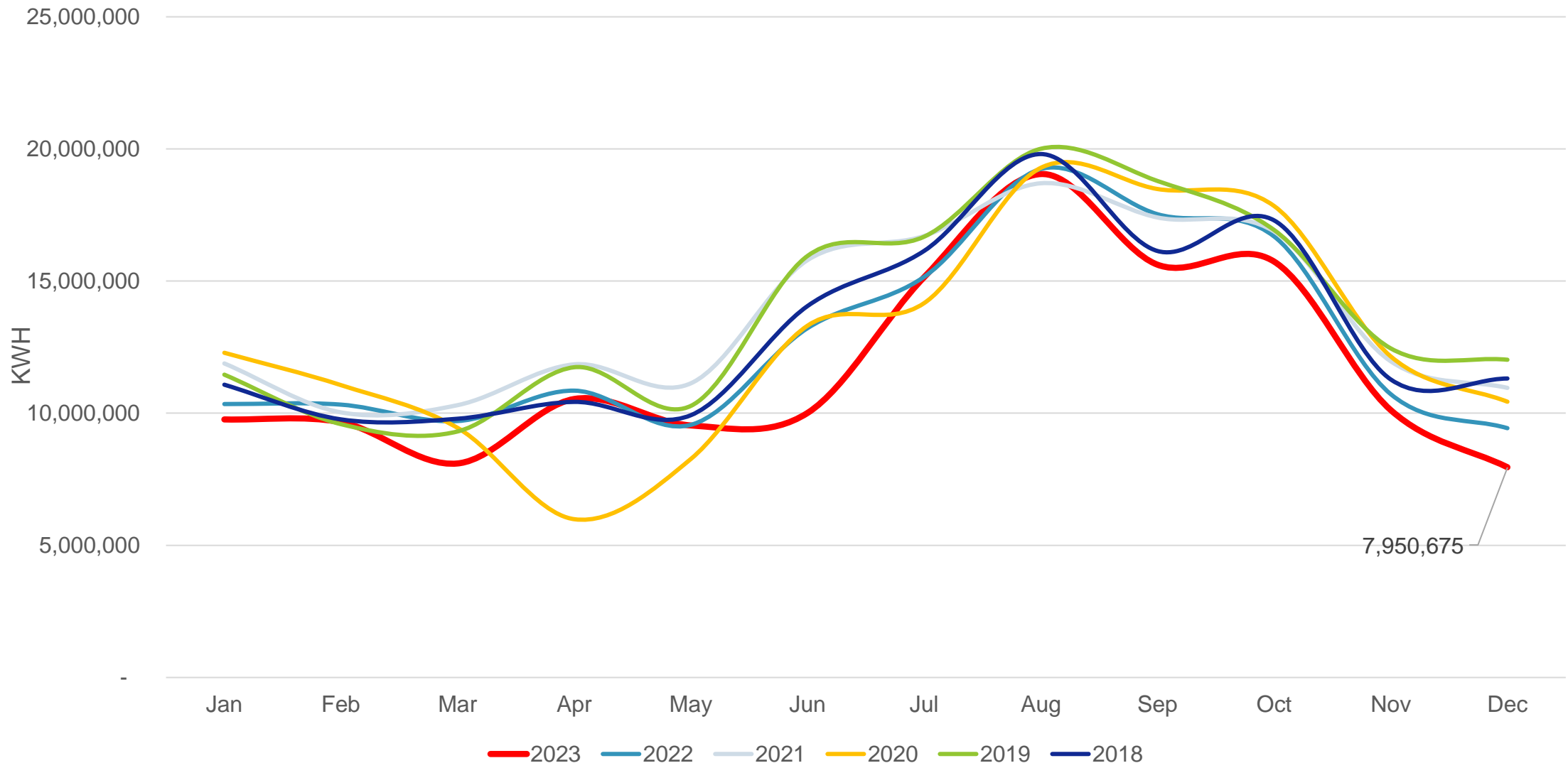
RETAIL LOAD COMPARISON



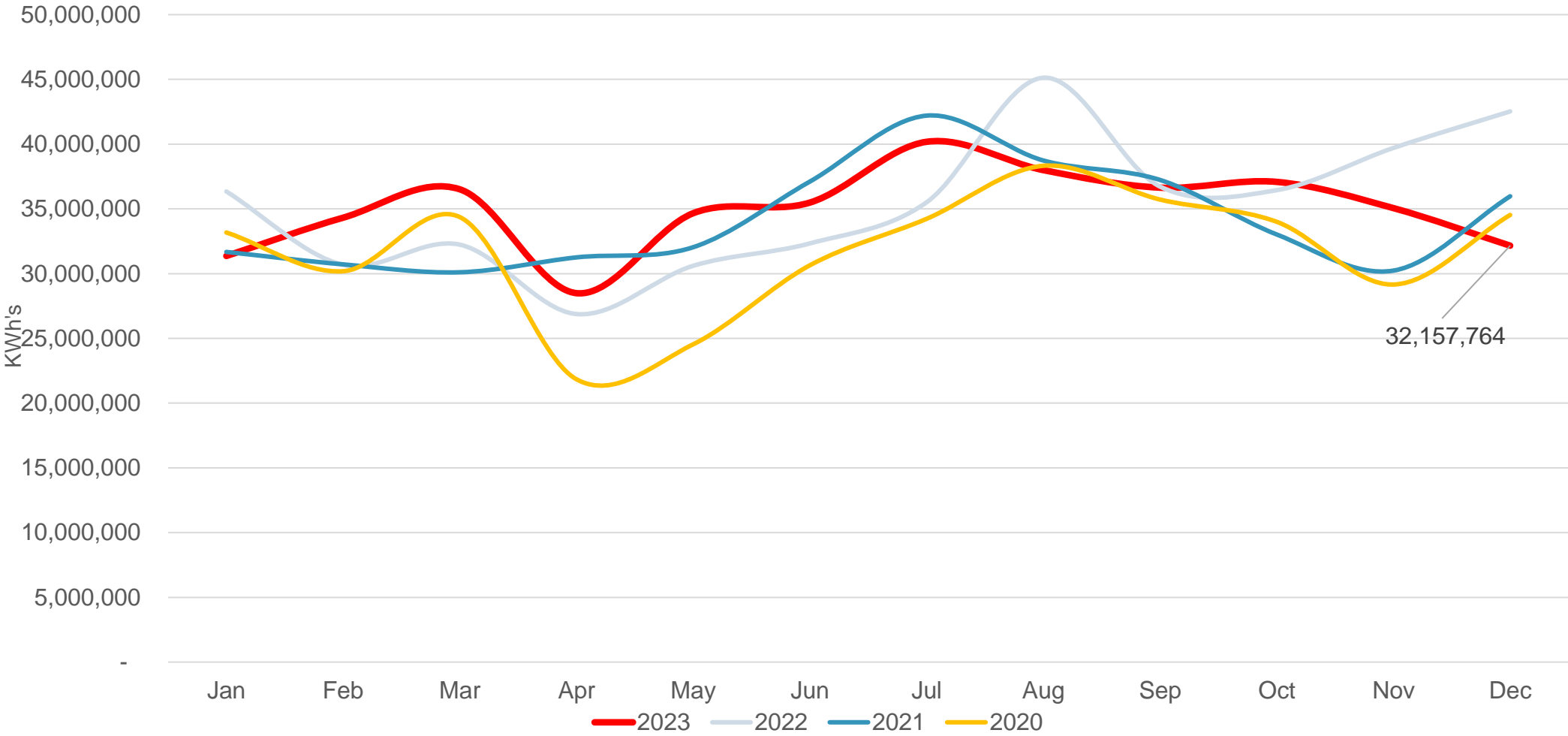
RESIDENTIAL LOADS



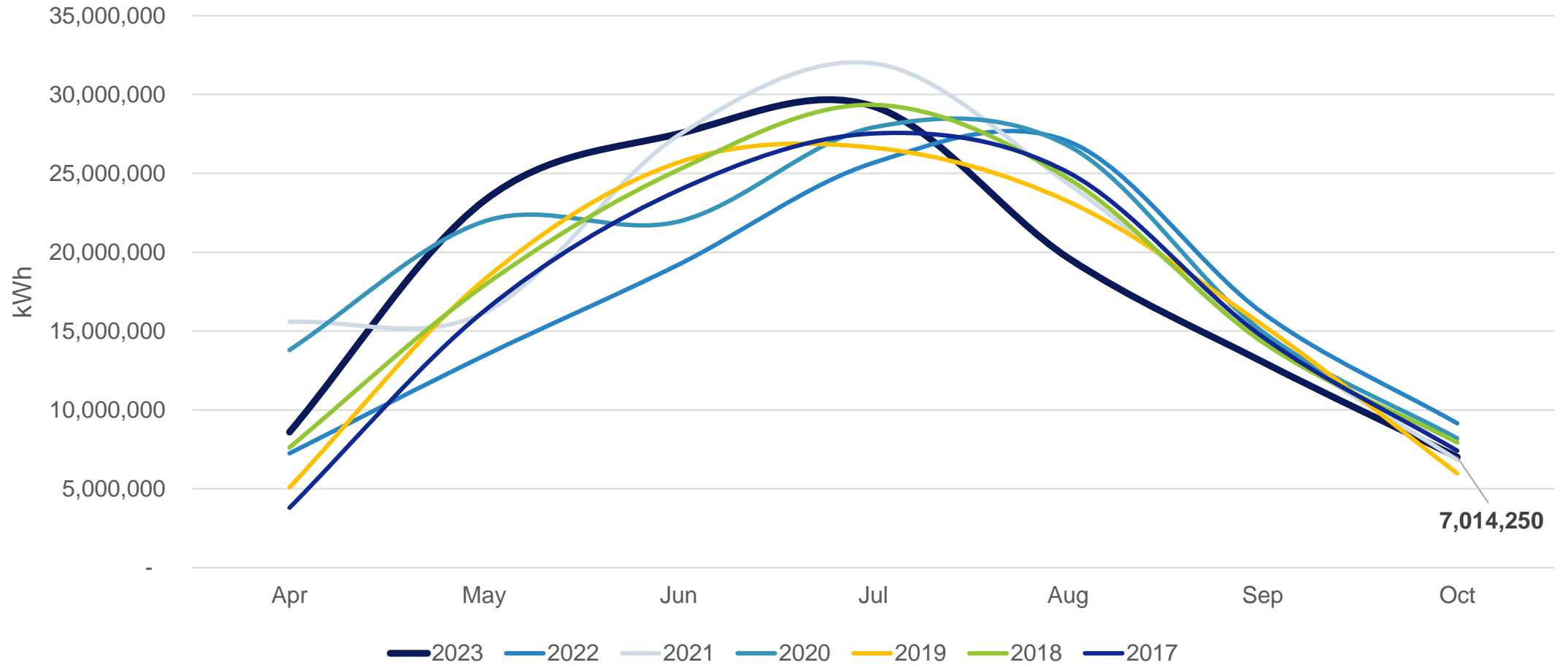
INDUSTRIAL LOADS



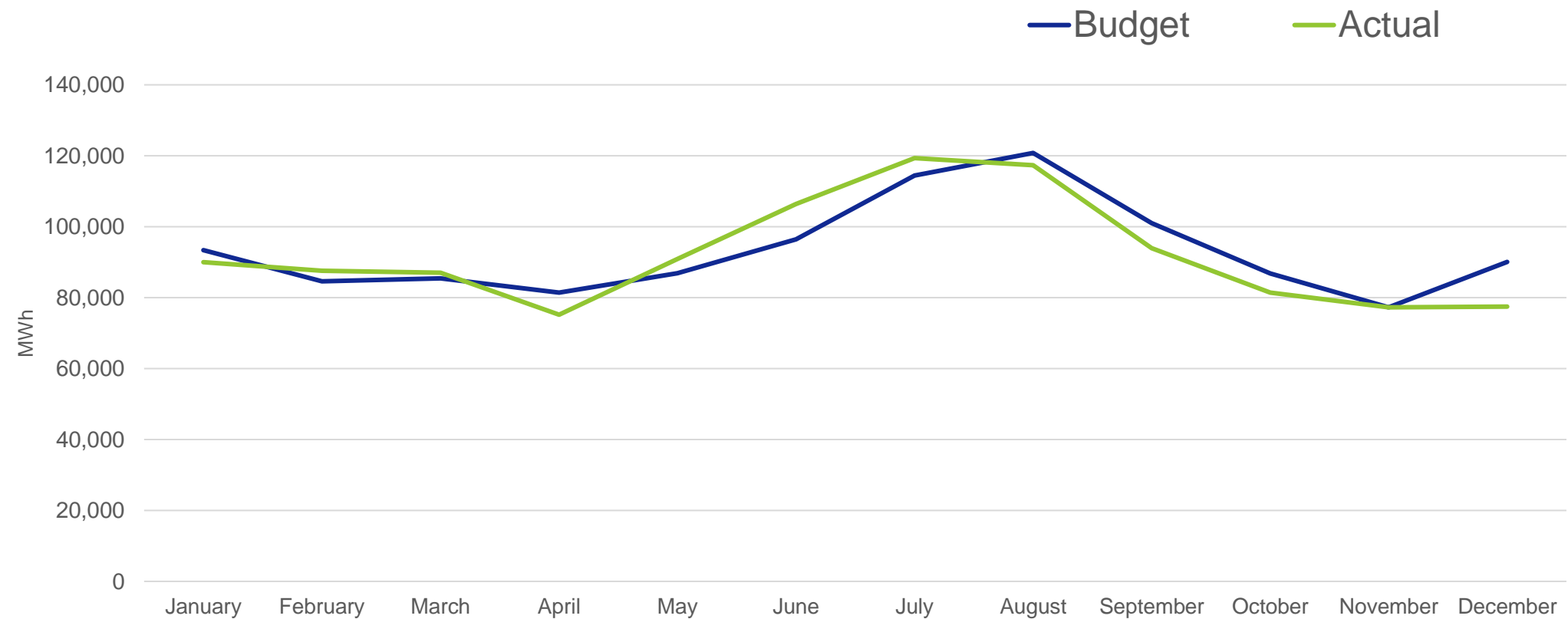
GENERAL LOADS



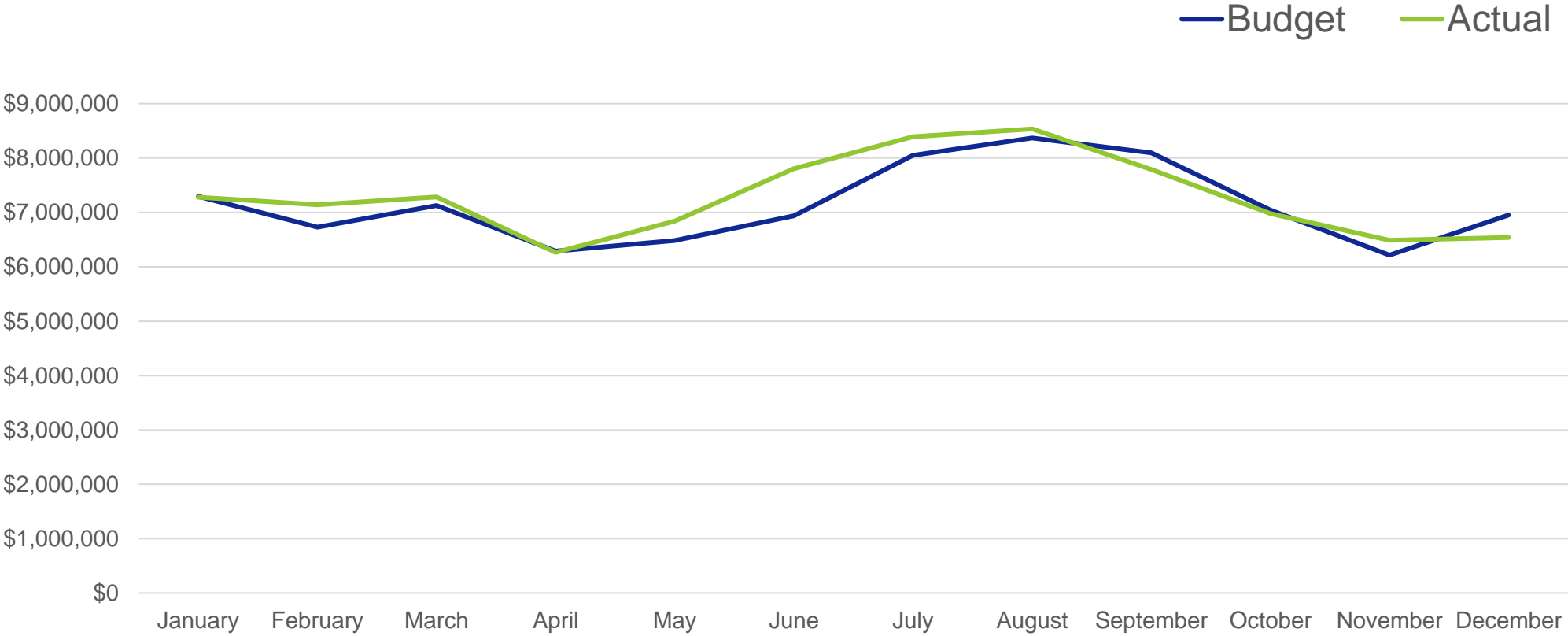
IRRIGATION LOADS



LOADS: BUDGET VS. ACTUAL



RETAIL ENERGY SALES





POWER



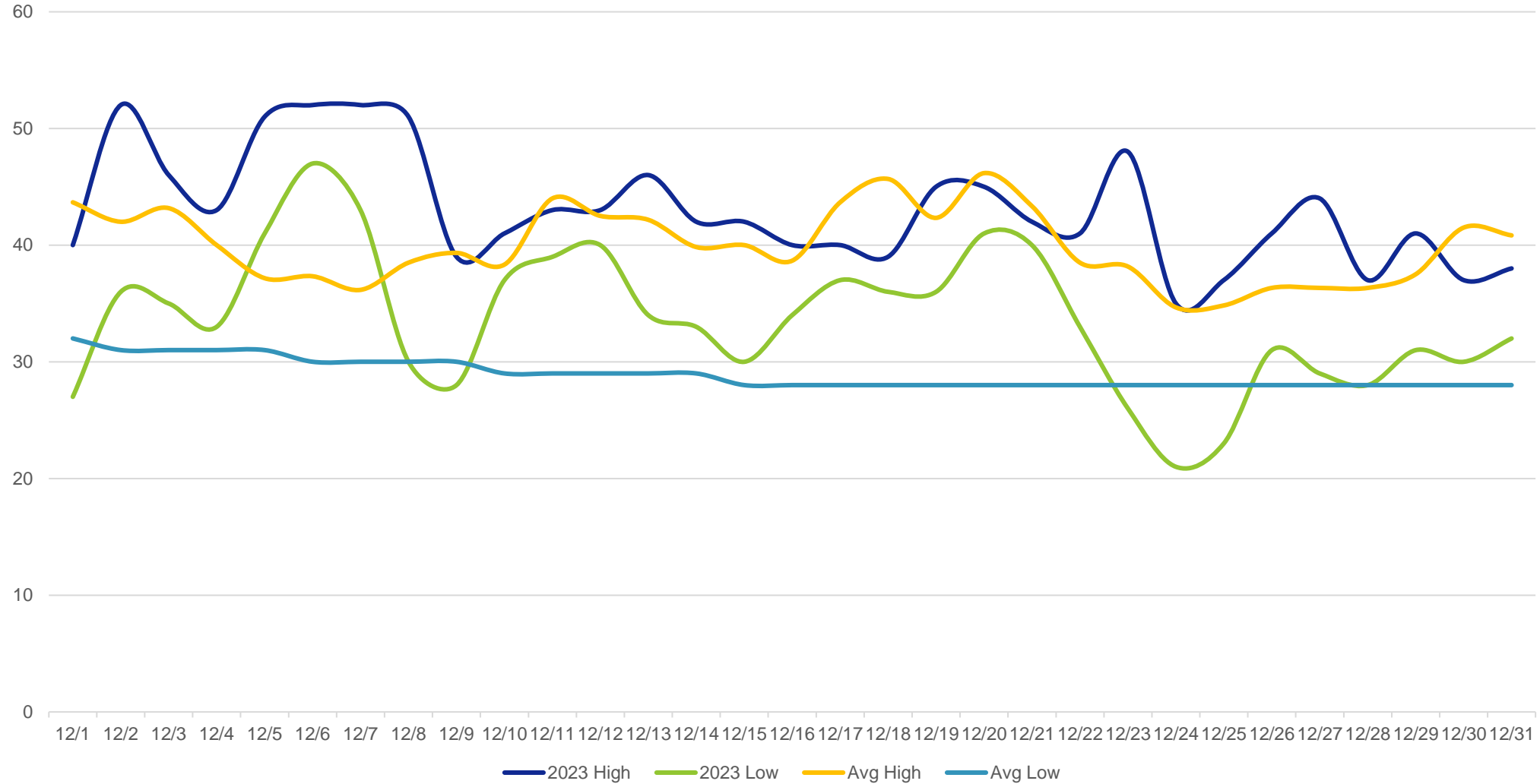
DECEMBER OVERVIEW

Unlike the major cold event experienced in December 2022, mild weather in December and above average temps caused low pricing and manageable loads. Prices averaged out about \$53 per MWH for the month across all hours.

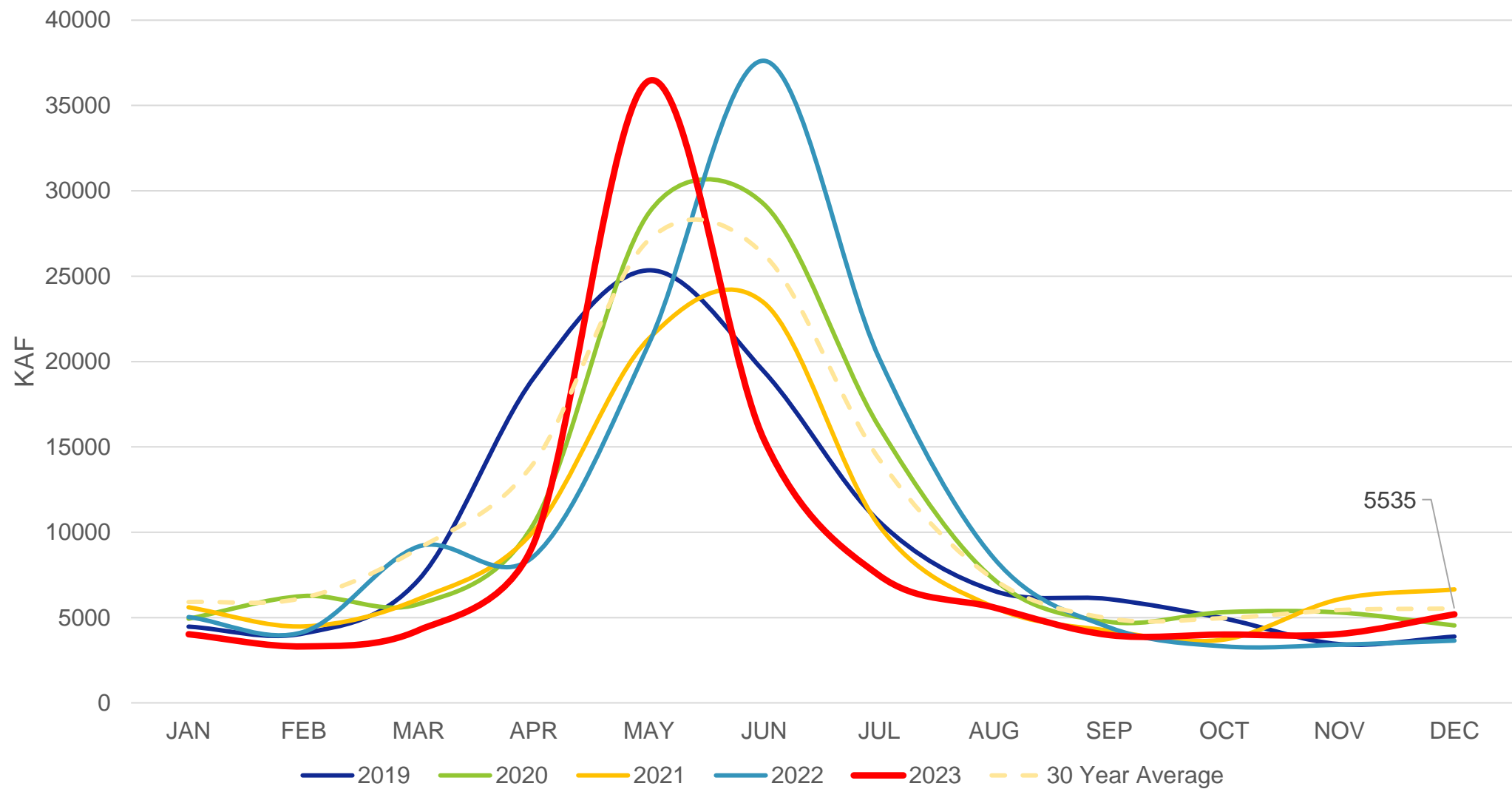
Water conditions improved in December and light loads provided opportunity to sell into the market, albeit at low market prices. This did help offset any market purchases that were needed for day ahead and real time needs.

Swaps settled out of the money \$232,000, increasing net power costs.

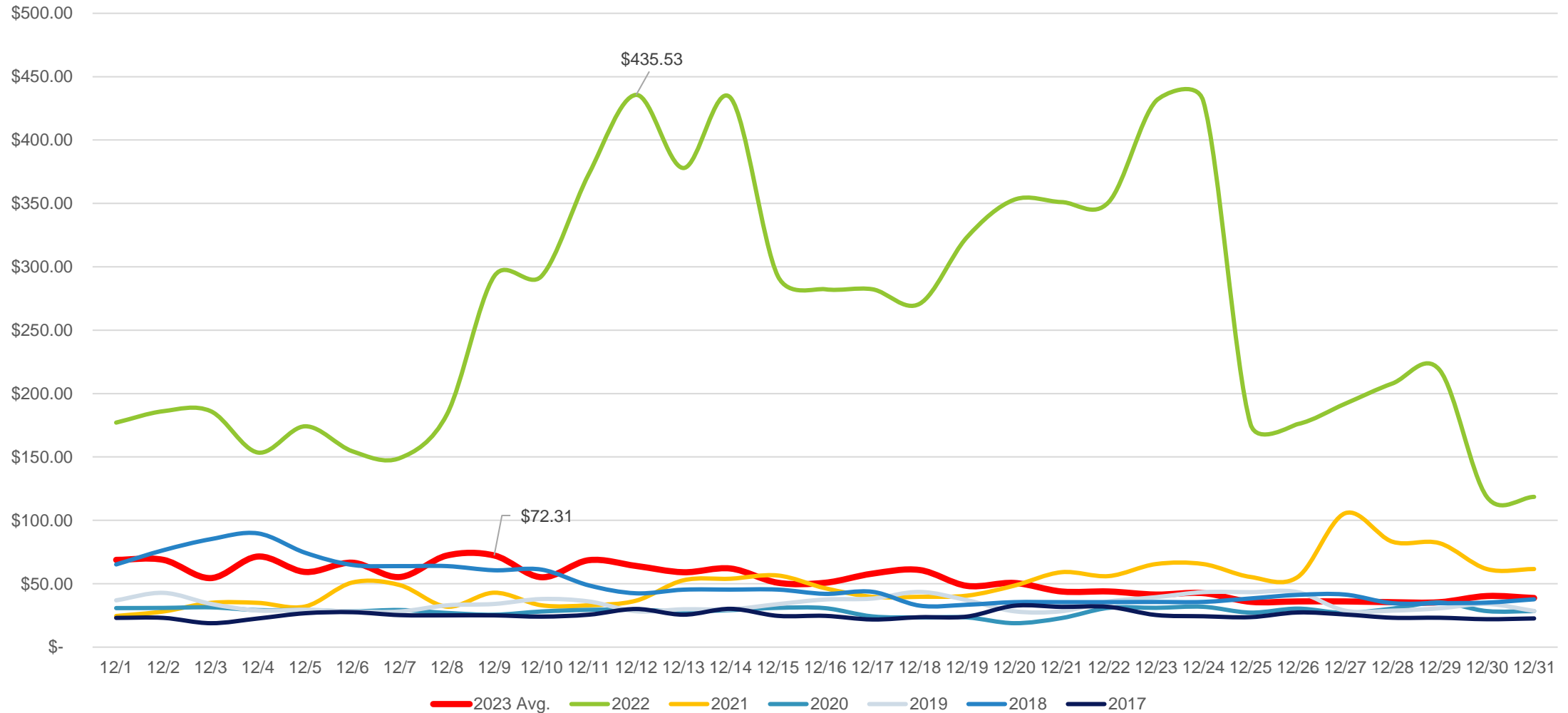
TEMPERATURES



COLUMBIA RIVER RUNOFF

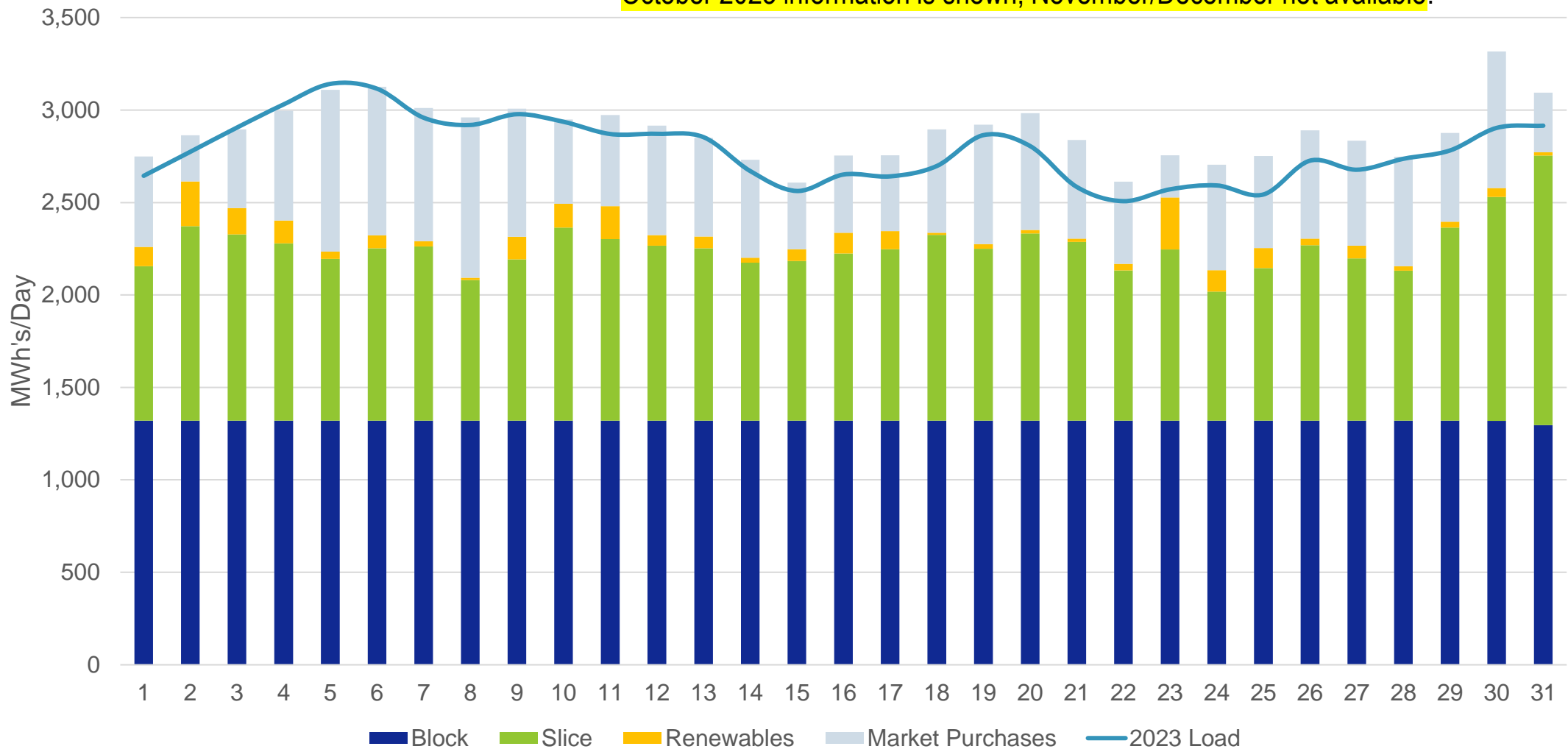


AVERAGE DAILY PRICES (MID-COLUMBIA)



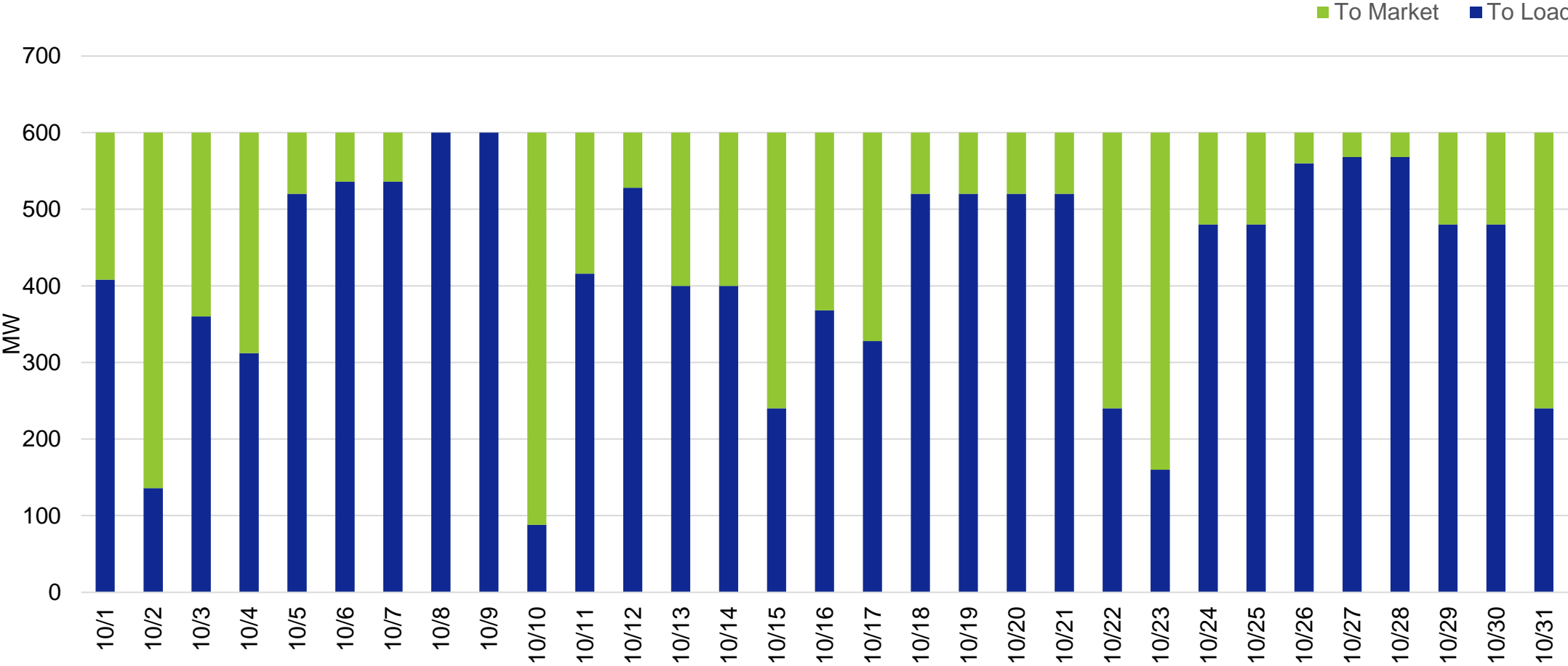
LOAD/RESOURCES BALANCE

October 2023 information is shown, November/December not available.



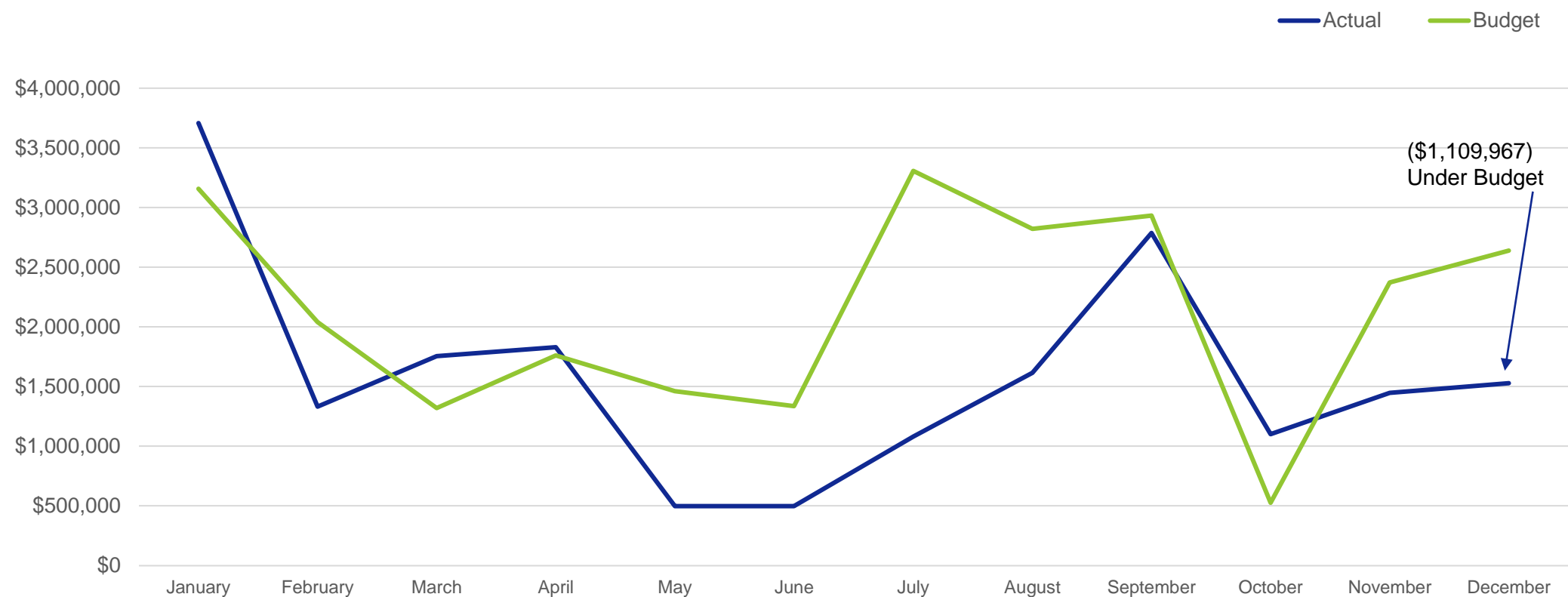
POWEREX DELIVERIES

October 2023 information is shown, November/December not available.

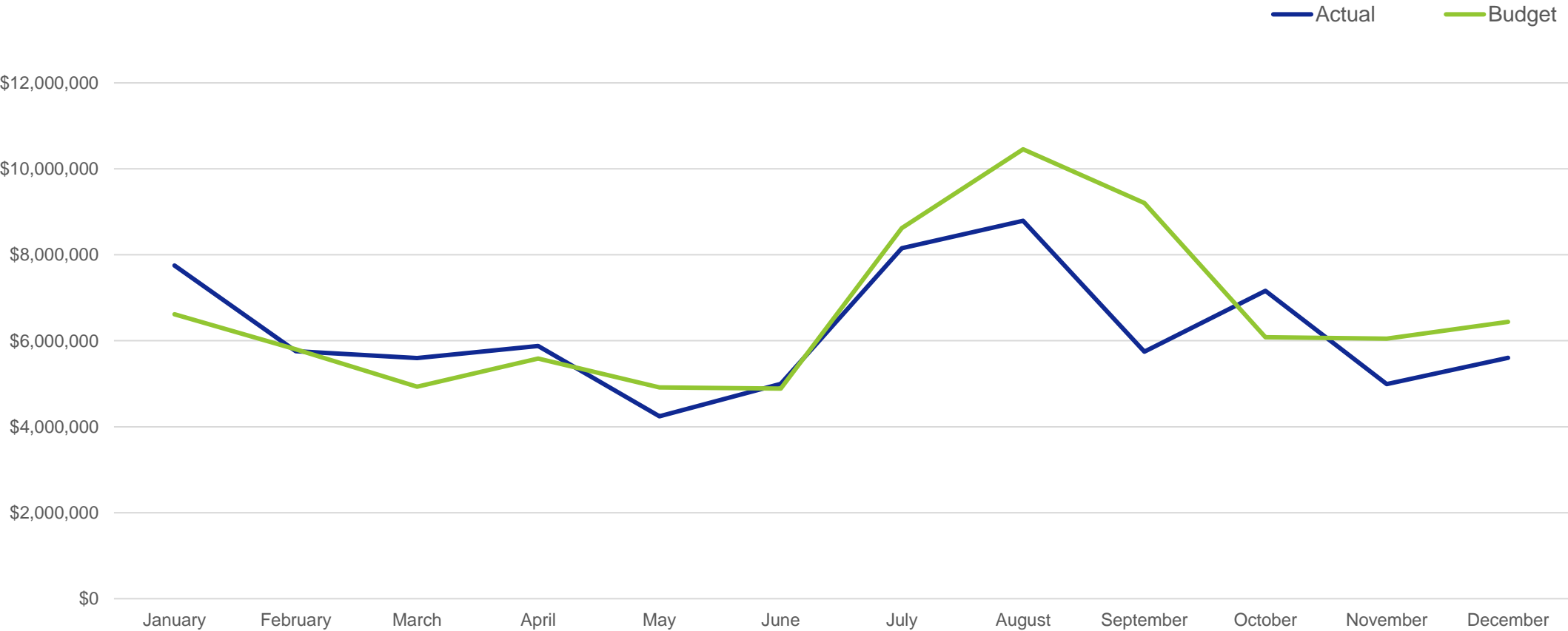


SECONDARY MARKET SALES

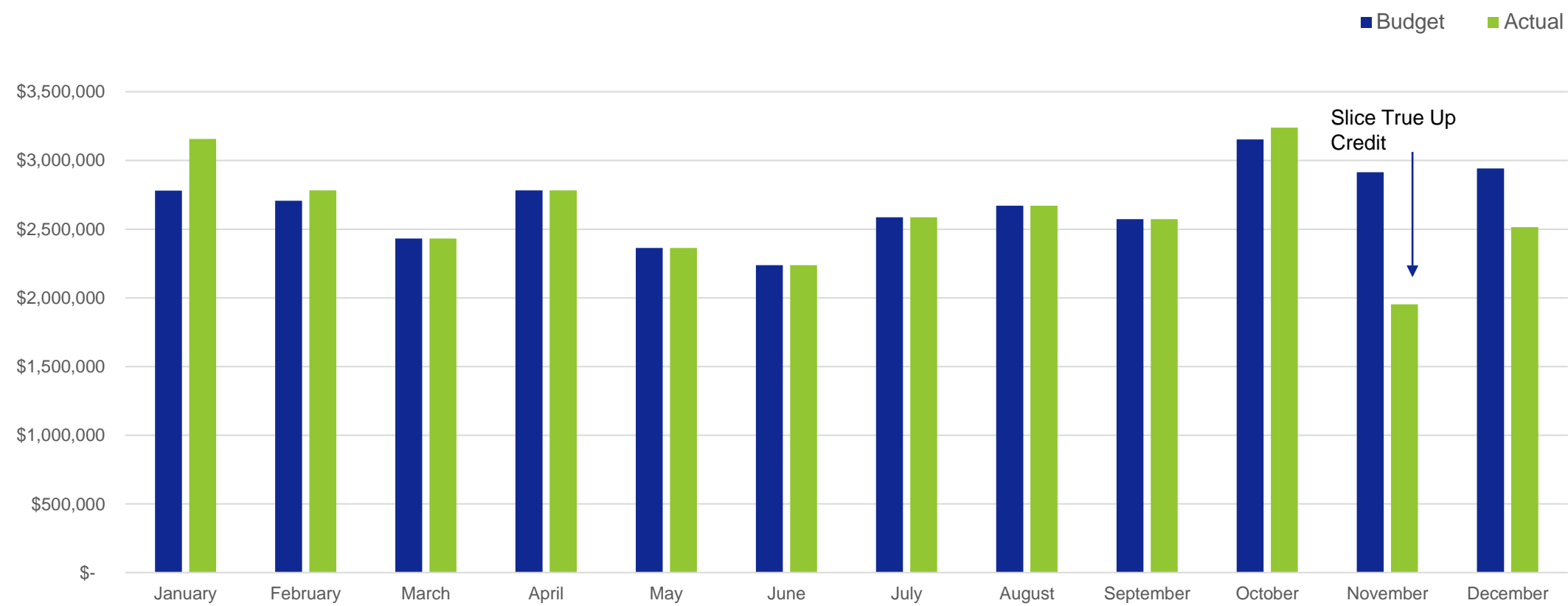
(FORMERLY SALES FOR RESALE)



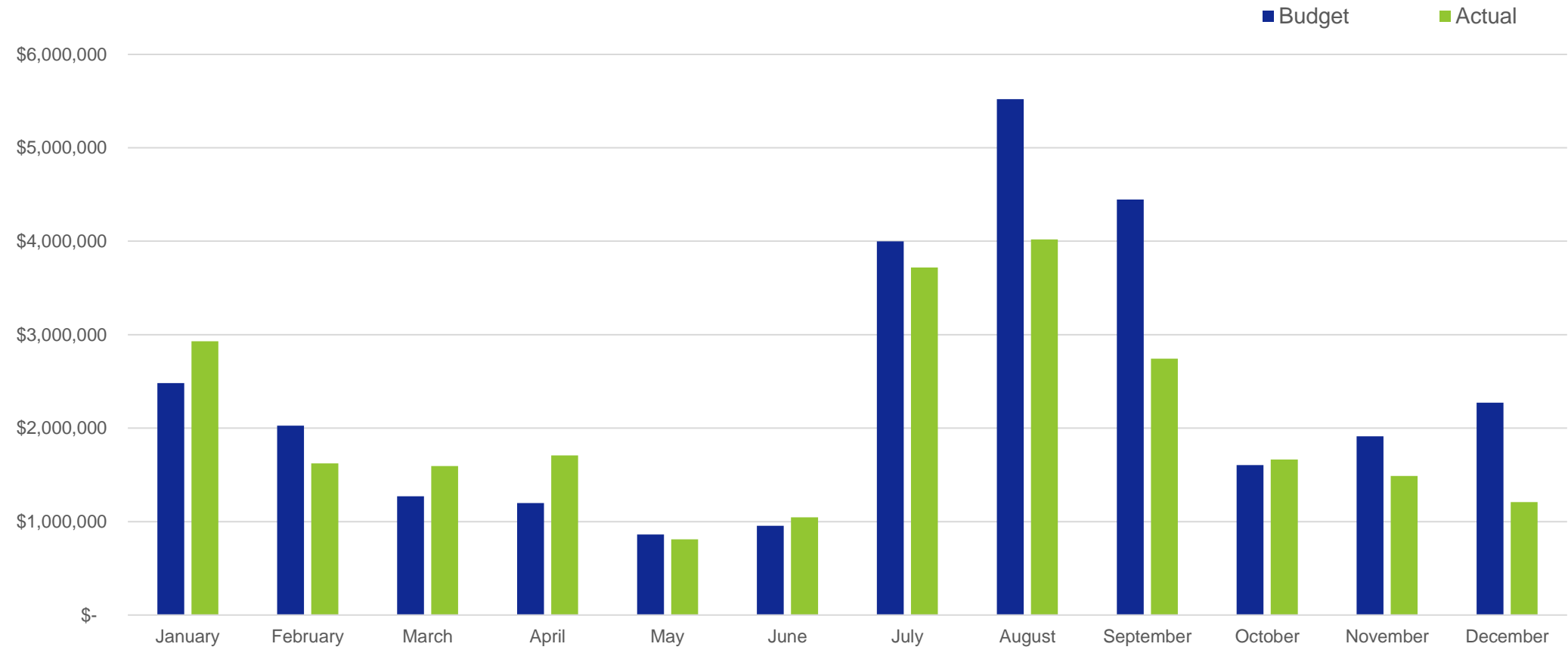
POWER COSTS



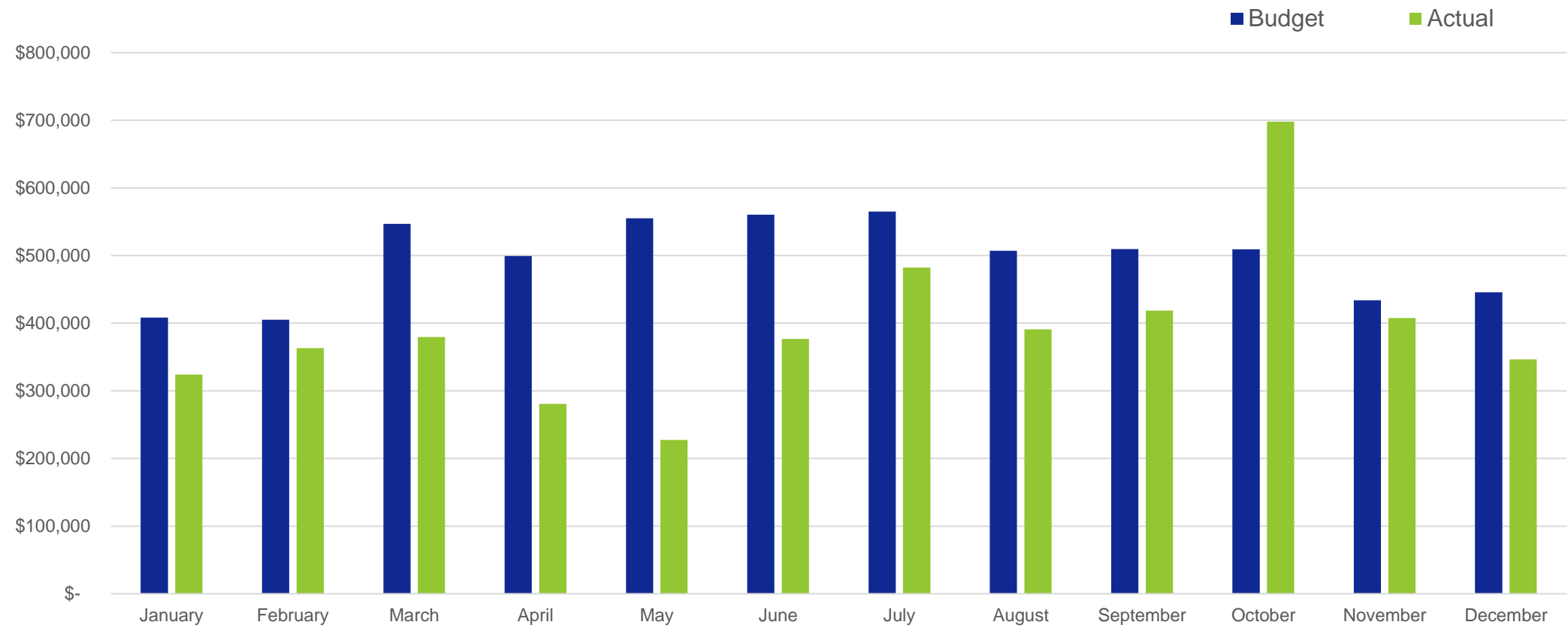
BPA POWER: BUDGET VS. ACTUAL



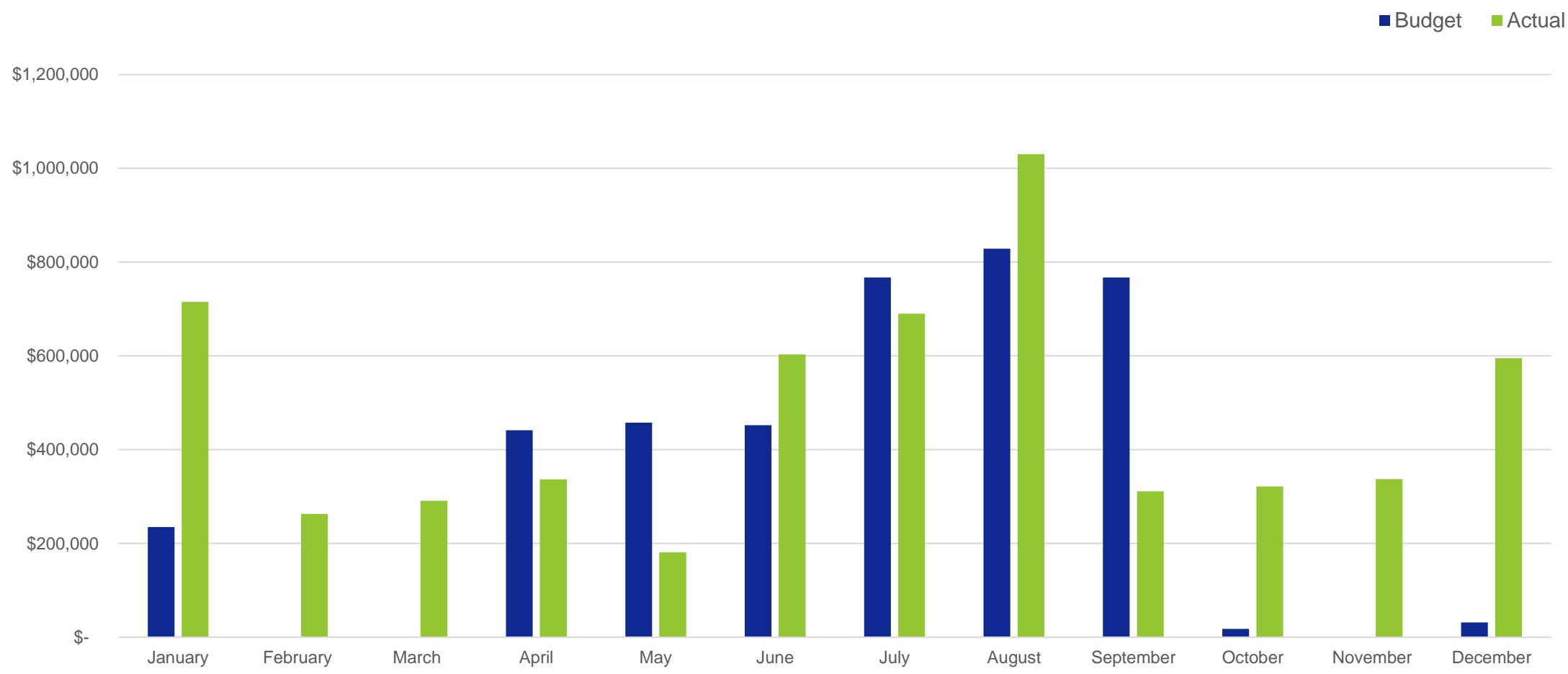
POWEREX: BUDGET VS. ACTUAL



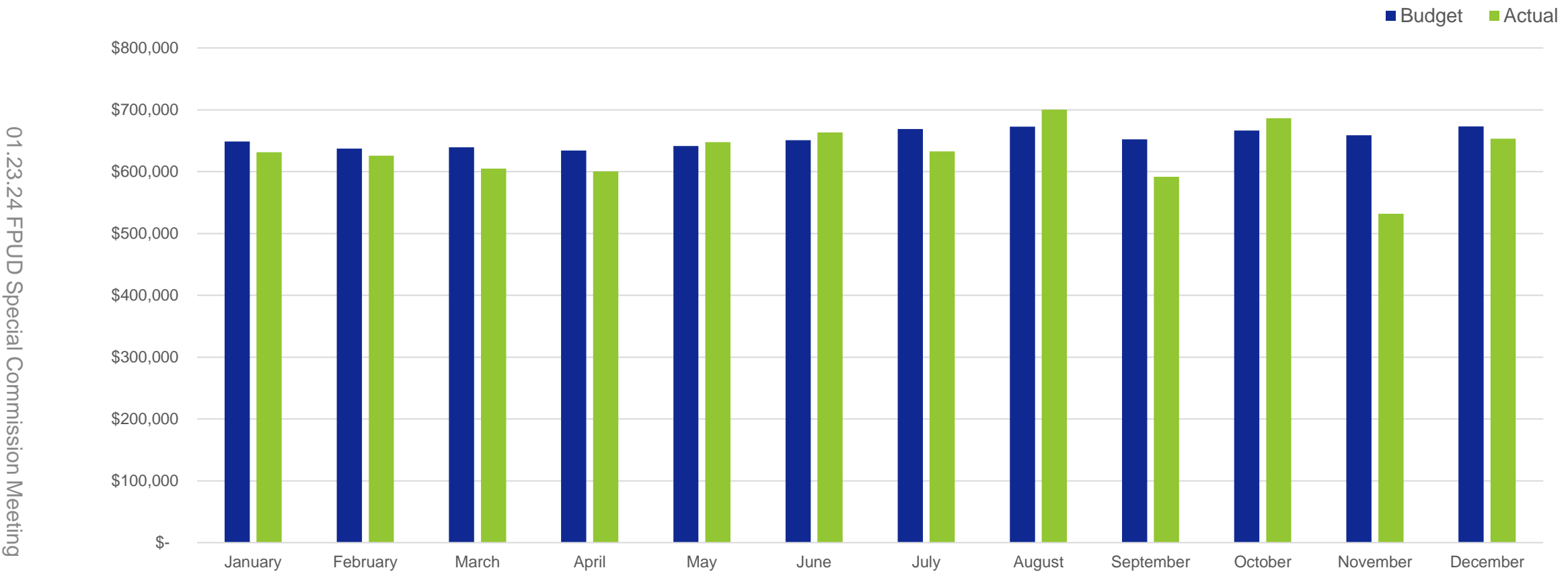
OTHER RESOURCES: BUDGET VS. ACTUAL



MARKET PURCHASES: BUDGET VS. ACTUAL

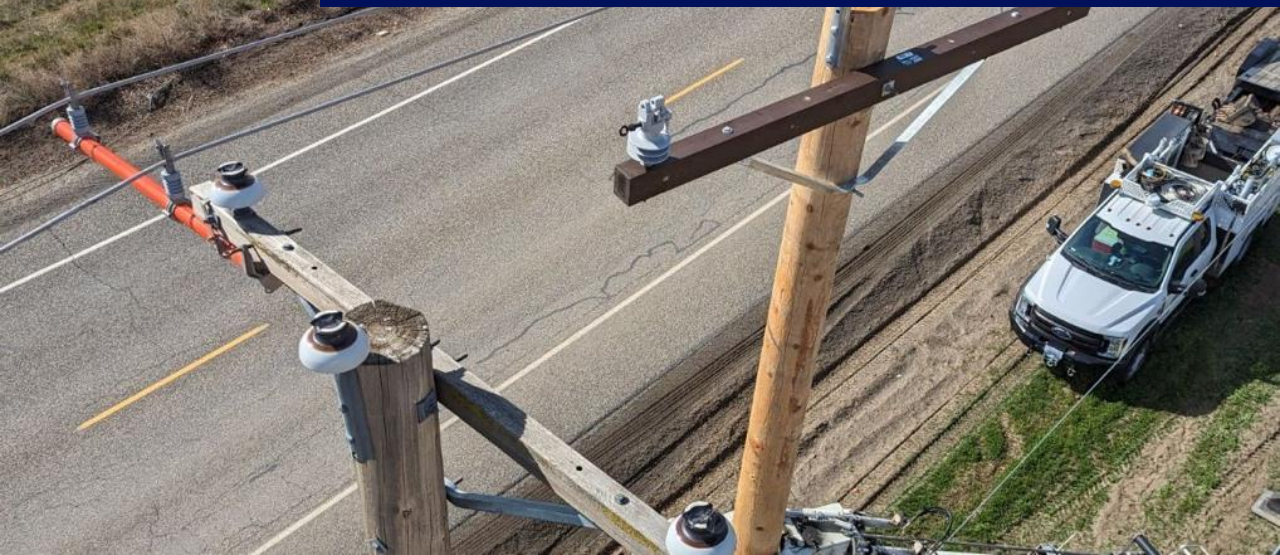


TRANSMISSION & ANCILLARY: BUDGET VS. ACTUAL





OPERATIONS



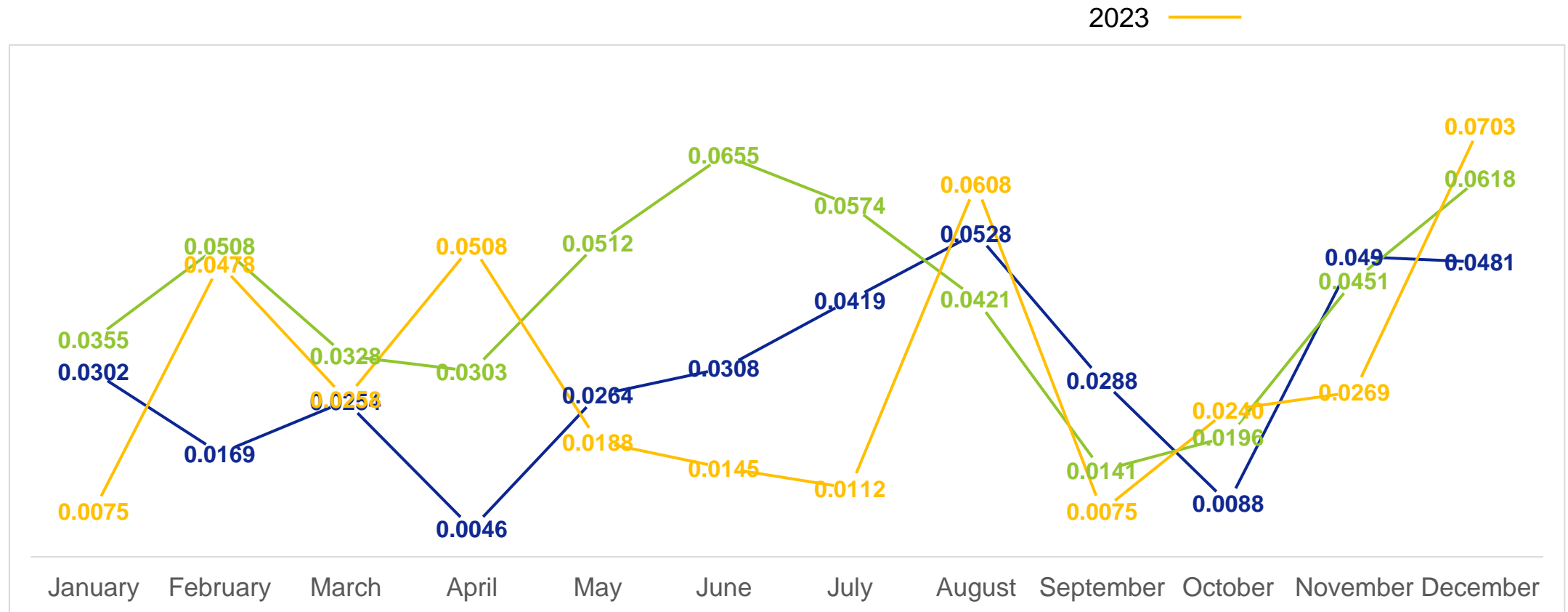
OVERVIEW

There were 54 outages that occurred in December.

12 of the outages were planned.

An outage occurred at Blanton Road Bay 2 on December 15th affecting 314 customers and lasted for 2 hours and 57 minutes.

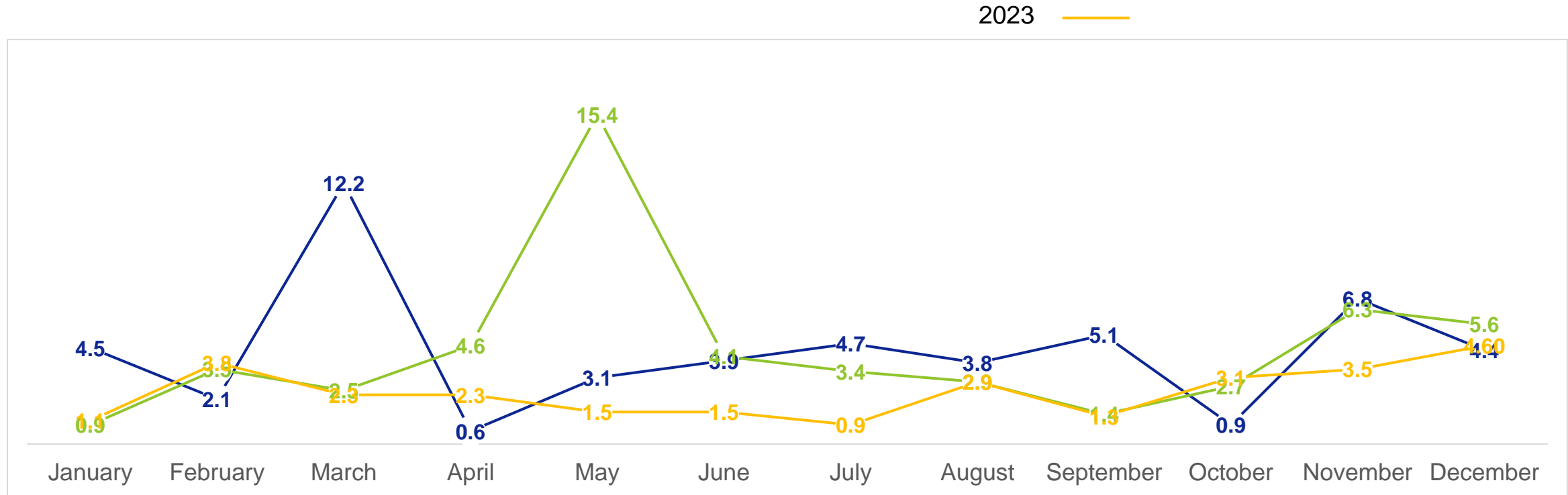
SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX (SAIFI)



a. SAIFI describes how often the average customer experiences an interruption.

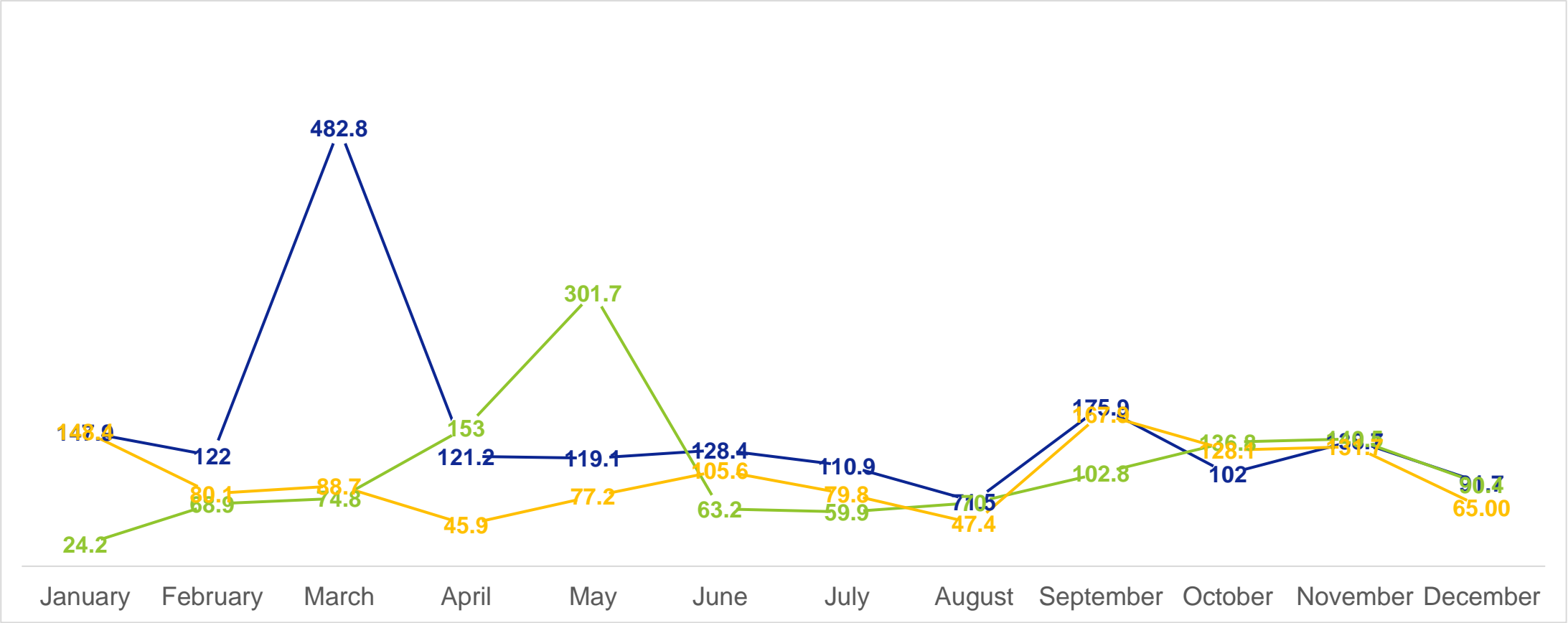
b. SAIFI is calculated by dividing the total number of customers interrupted by an outage by the total number of customers in the system.

SYSTEM AVERAGE INTERRUPTION DURATION INDEX (SAIDI)



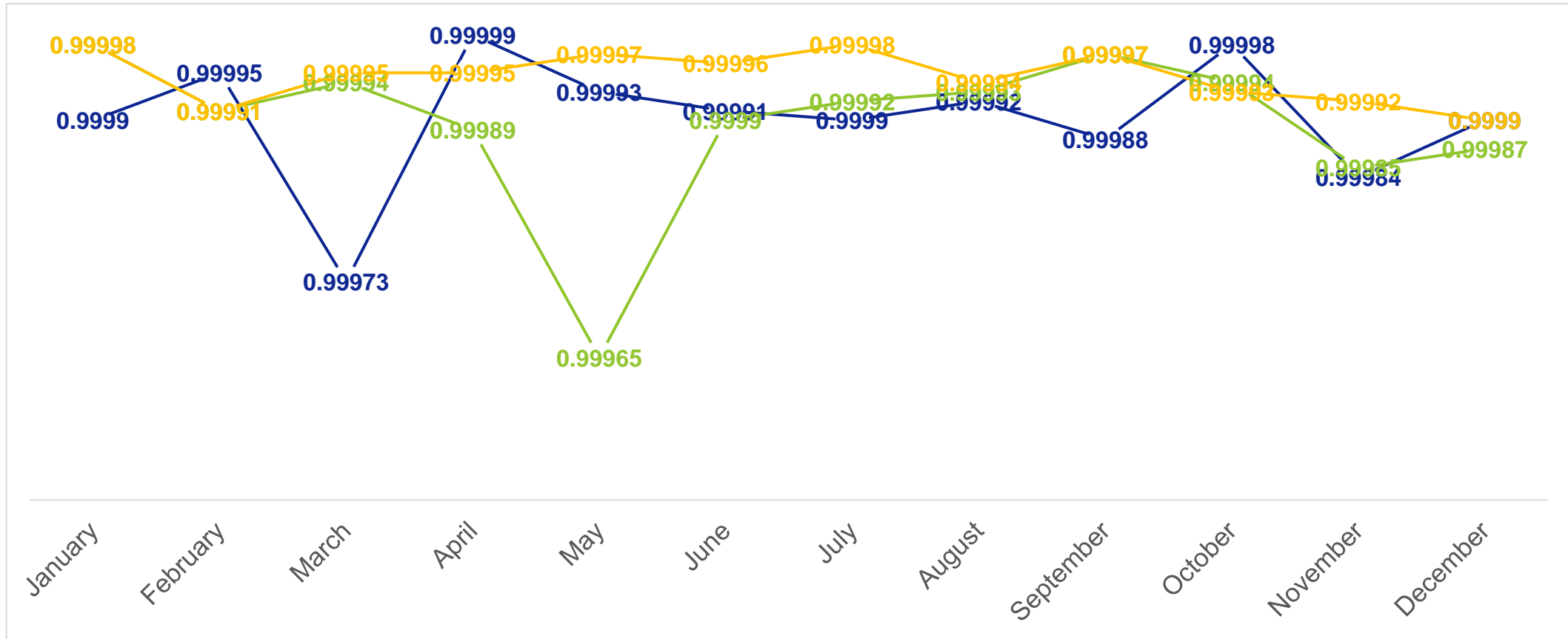
- a. SAIDI describes the total duration of the average customer interruption.
- b. SAIDI is calculated by multiplying the average duration of customer interruptions by their total number and then dividing by the total number of customers in the system

CUSTOMER AVERAGE INTERRUPTION DURATION INDEX (CAIDI)



- a. CAIDI describes the average time required to restore service. Unlike SAIDI & SAIFI, CAIDI includes only customers who actually experienced an interruption.
- b. CAIDI is calculated as total minutes of customer interruption divided by the total number of customers interrupted.

AVERAGE SERVICE AVAILABILITY INDEX (ASAI)



a. ASAI is the ratio of the total number of customer hours that service was available during a given time period.



ENGINEERING



OVERVIEW

There were a combined 11 new net metering (solar) interconnections added to the system in the months of November and December. This brings the total capacity of net meter connections on the system up to 6,625 kWac. Total active net meter connections on the system are 814 with the average system size being 8.1 kWac.

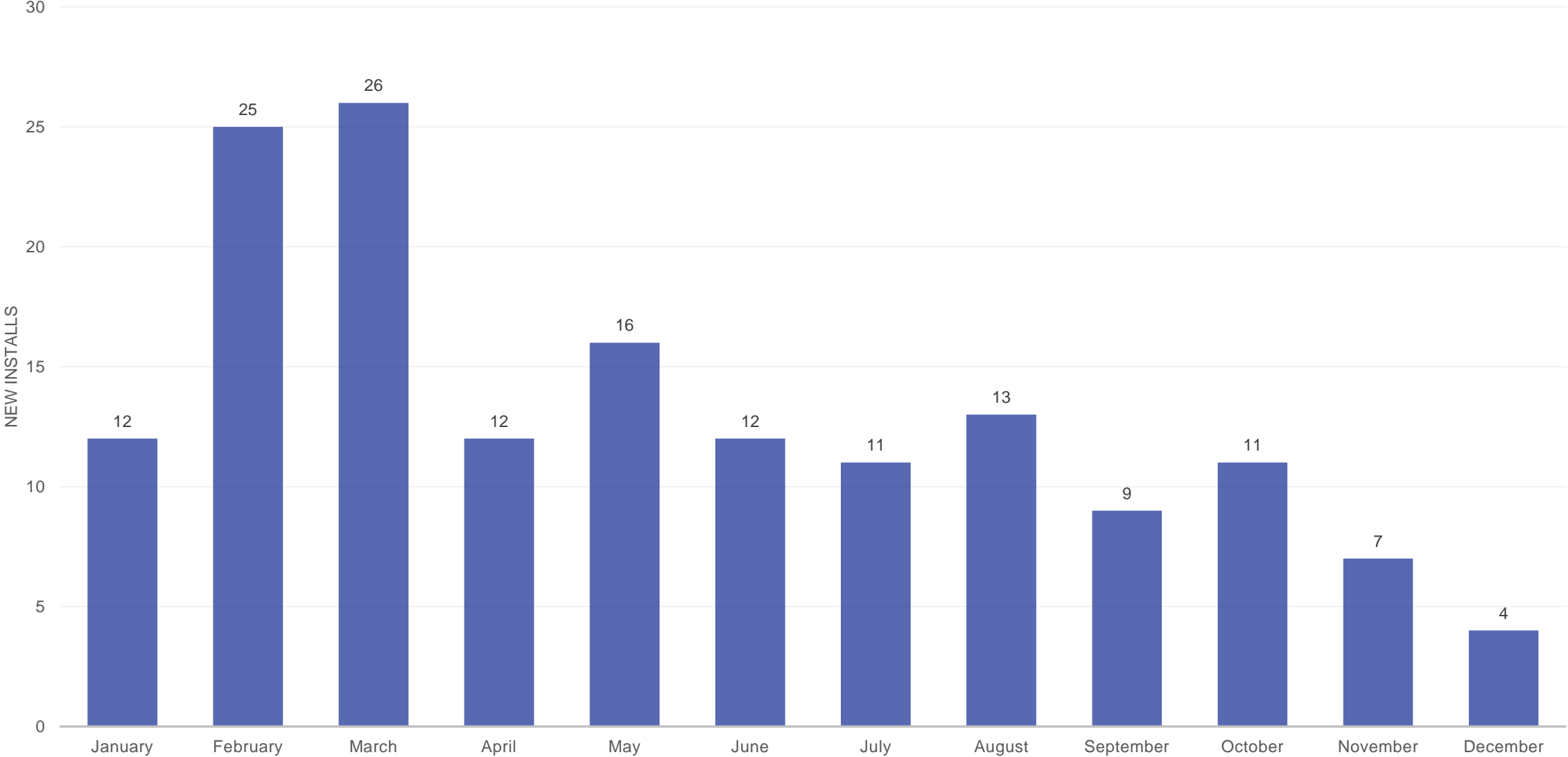
There were 25 SCADA alarms sent out by the system to staff in the months of November and December. Most of these alarms were due to testing and outage notifications. In November there were two (2) feeder lockouts, one at the Snake River Substation Feeder 3, due to wildlife. The second was on the Broadmoor Substation Feeder 2, due to shooting of a cable. In December there was a Feeder lockout on Connell Substation Feeder 1, due to a failed arrestor. There were 1,683 operator issued commands sent remotely from the dispatch center by the on-duty dispatcher, which avoids having to send crews to the substations saving both time and resources. The abnormal amount of alarms can be attributed to the Ruby Street Substation commissioning in November.

There were a total of 13 work orders released to Operations in the months of November and December with a total material and labor cost estimate of \$515,351.20, which is an average of \$39,642.40 per job. For new services during this time period, there were 108 new residential and 20 commercial services that came online.

NET METERING INSTALLATIONS

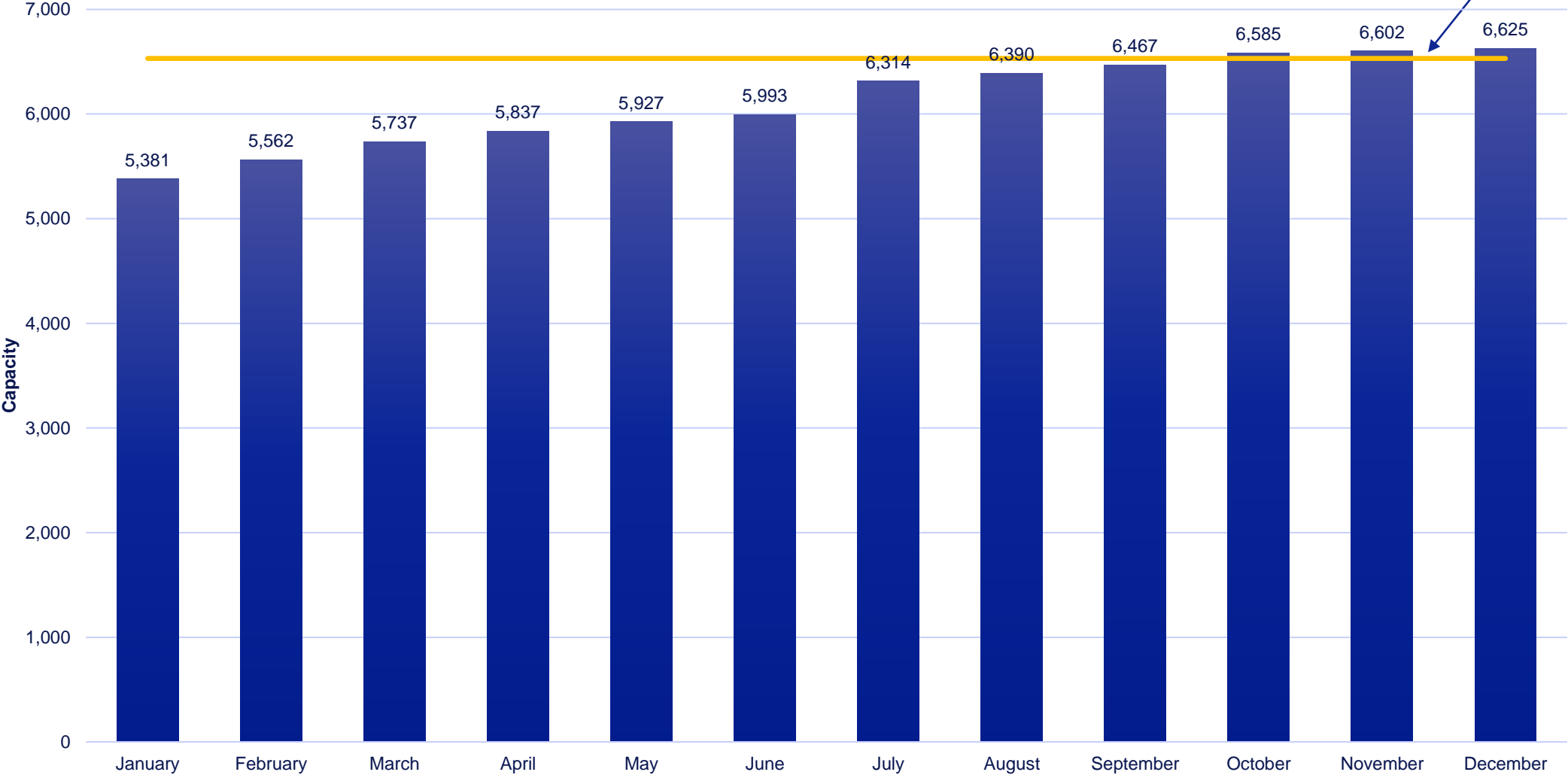
01.23.24 FPUD Special Commission Meeting

32



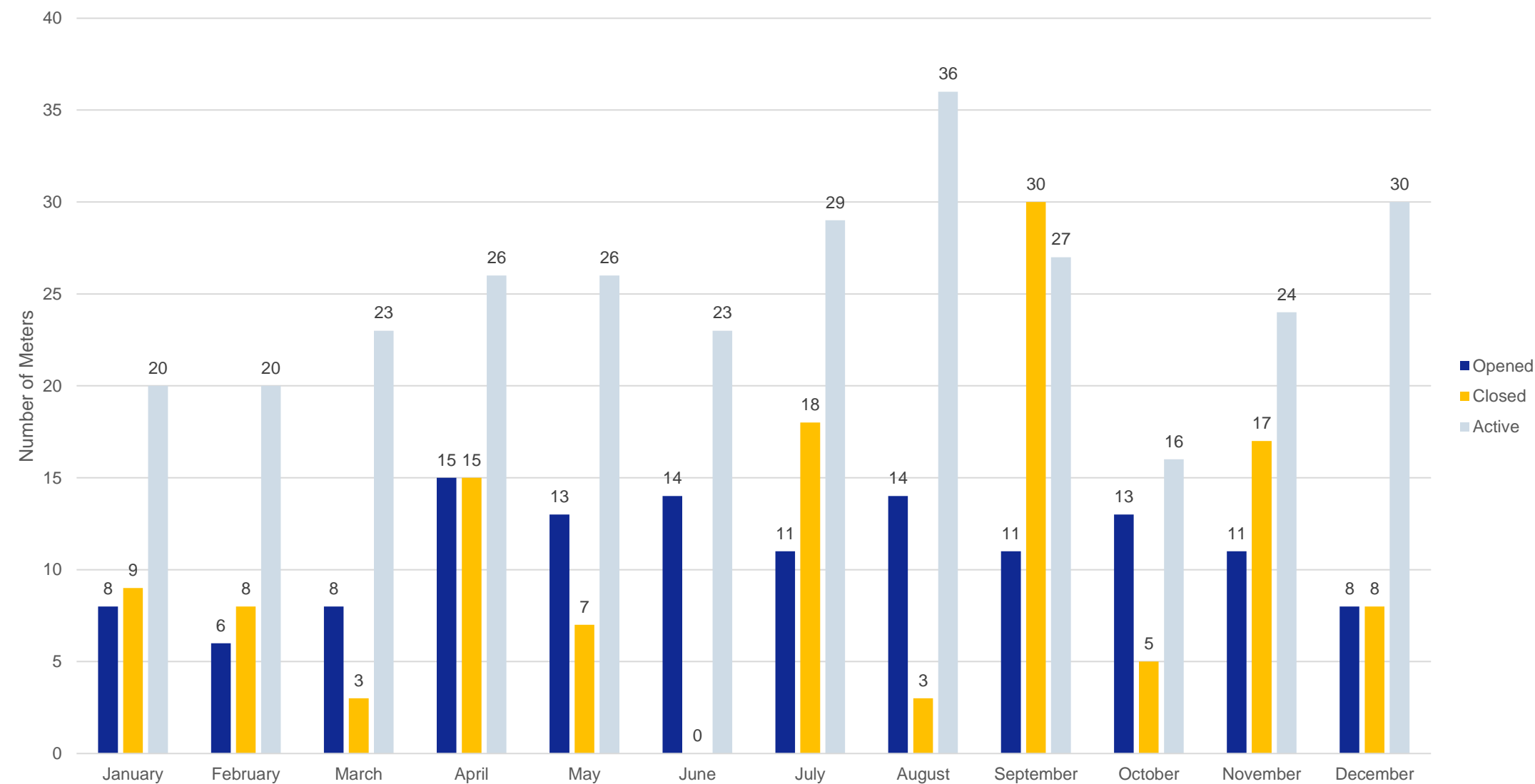
NET METERING CAPACITY INSTALLED

Cumulative generation capacity (4% of 1996 peak demand)

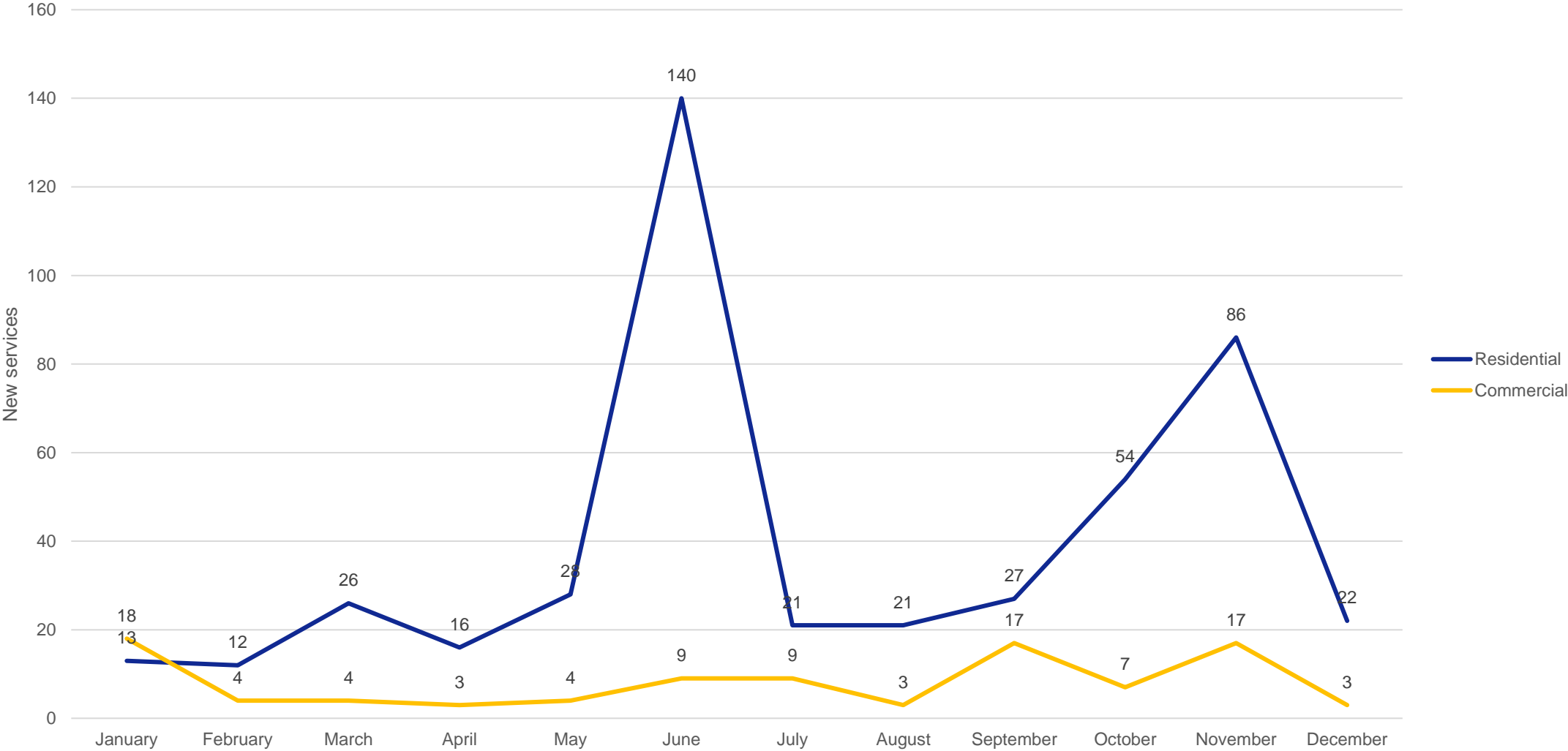


TEMPORARY SERVICE

01.23.24 FPUD Special Commission Meeting



NEW SERVICES



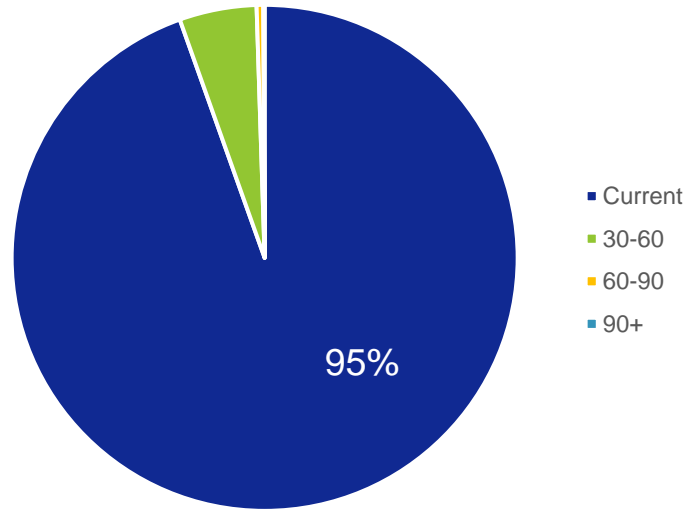


CUSTOMER SERVICE

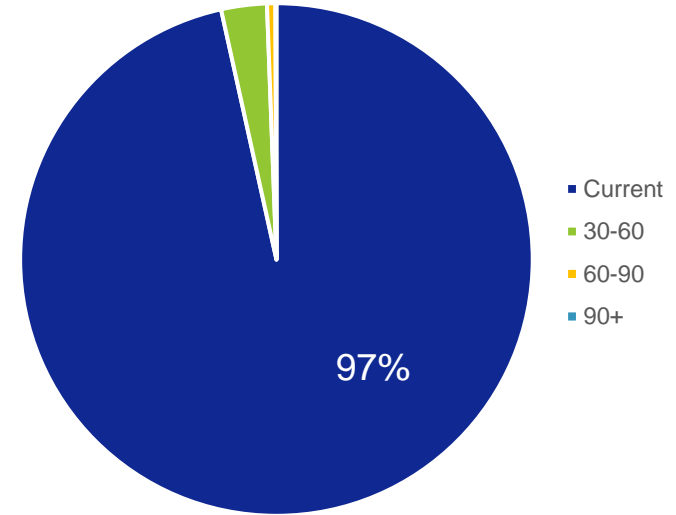


AGING ACCOUNTS - NOVEMBER

November 2023



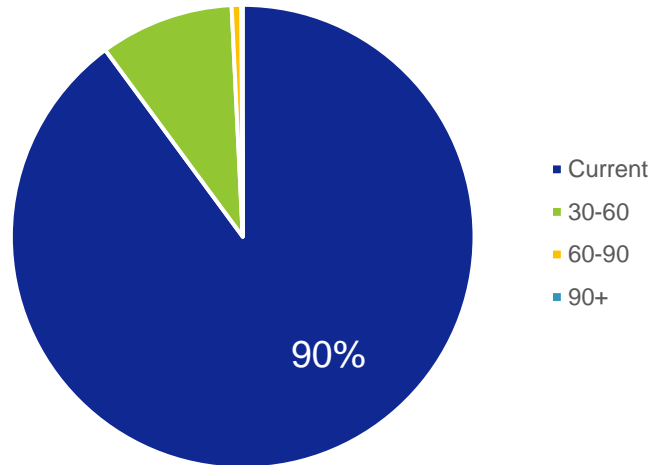
November 2022



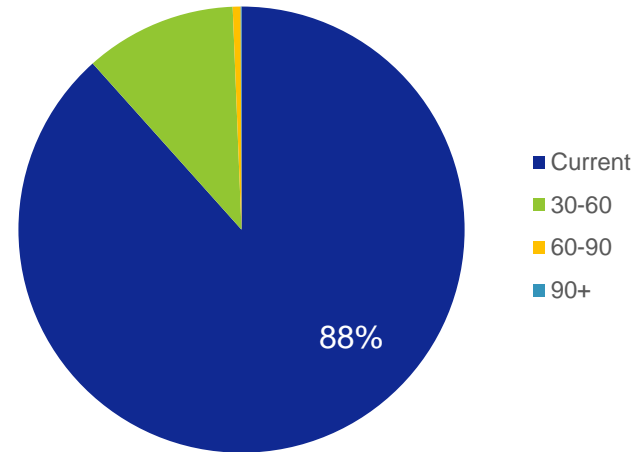
	Current	30-60	60-90	90+
2023	\$5,206,467	\$271,697	\$23,423	\$4,660
2022	\$4,664,796	\$139,100	\$25,492	\$3,015

AGING ACCOUNTS - DECEMBER

December 2023



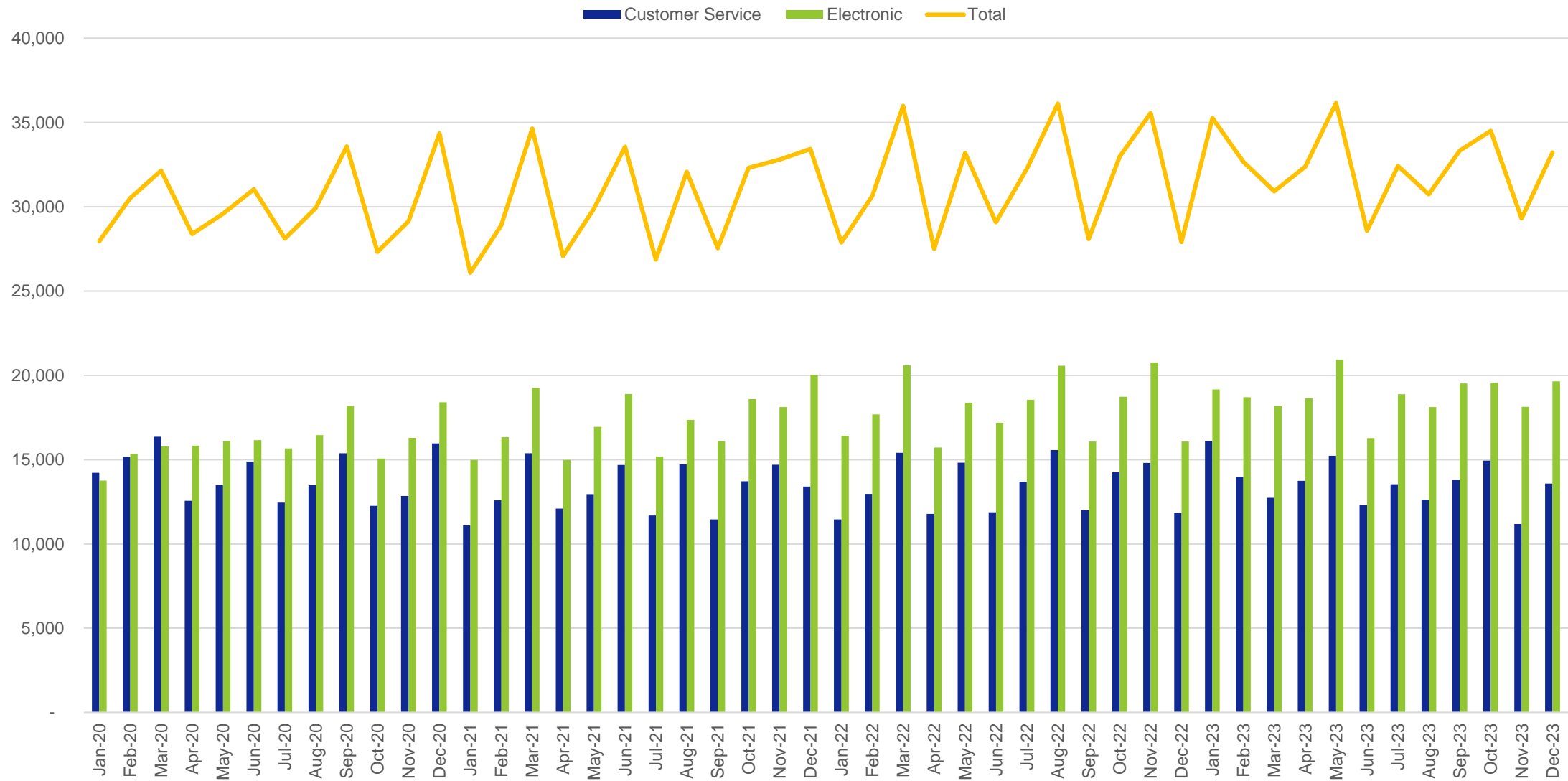
December 2022



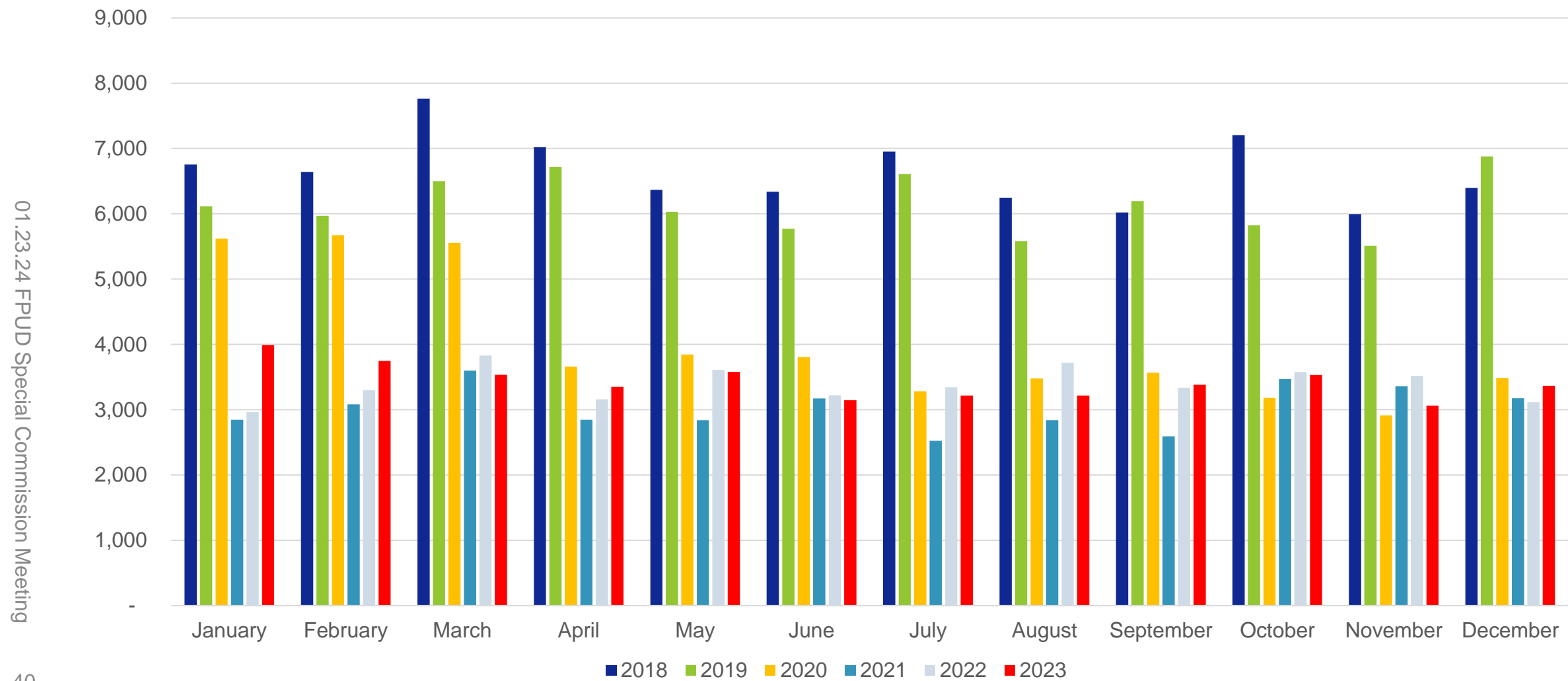
	Current	30-60	60-90	90+
2023	\$5,242,211	\$544,467	\$39,273	\$5,287
2022	\$6,551,579	\$814,847	\$42,463	\$4,421

PAYMENTS

01.23.24 FPUD Special Commission Meeting



WALK-IN TRANSACTIONS

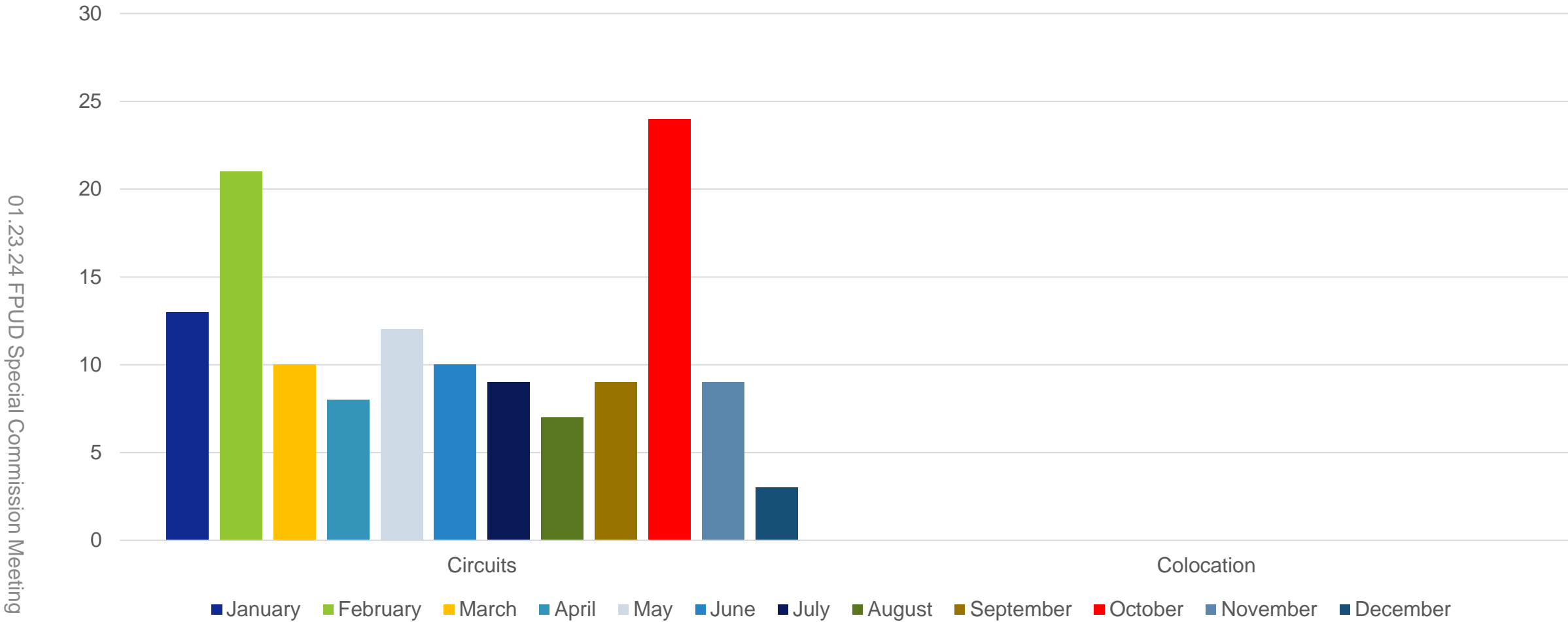




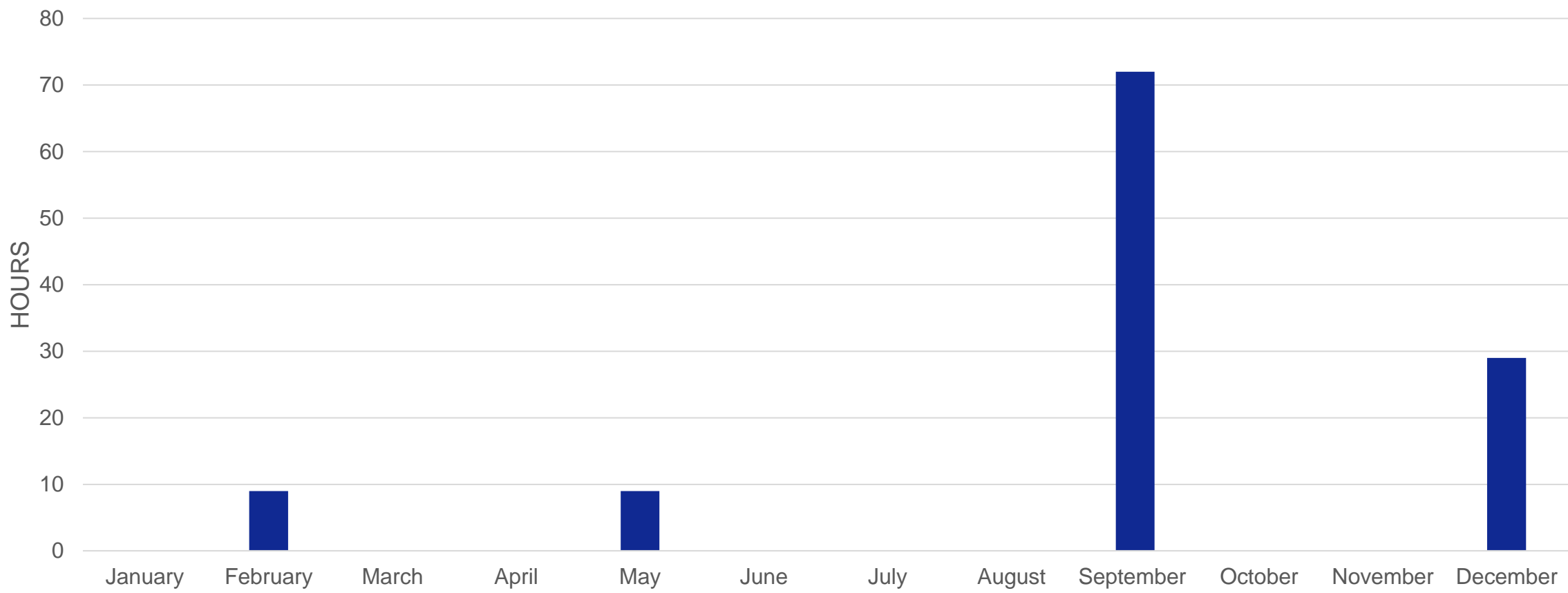
BROADBAND

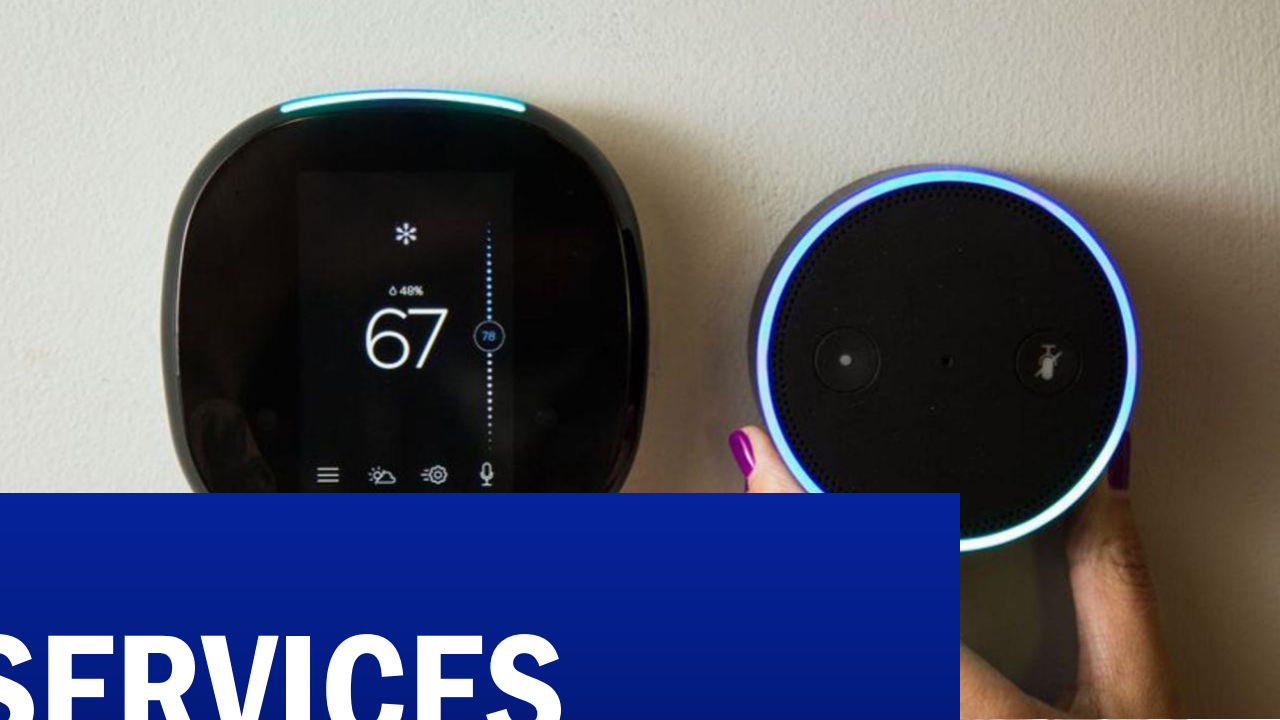


NEW SERVICES



UNPLANNED OUTAGE TIME





ENERGY SERVICES



PAID INCENTIVES - NOVEMBER

VENDOR	NAME	DATE	DESCRIPTION	AMOUNT
113264	ECOMODUS, LLC	11/2/2023	LIGHTING	\$9,973.00
109093	FIVE D FARMS	11/2/2023	LIGHTING	\$9,980.00
114039	J R SIMPLOT COMPANY	11/2/2023	HEATER	\$9,800.00
113980	SANCHEZ BROS CONSTRUCTION LLC	11/3/2023	INSULATION	\$31,249.01
112835	DANZ FARMS	11/9/2023	IRRIGATION	\$6,000.00
113980	SANCHEZ BROS CONSTRUCTION LLC	11/10/2023	INSULATION	\$12,579.17
113980	SANCHEZ BROS CONSTRUCTION LLC	11/17/2023	INSULATION	\$13,033.55
113980	SANCHEZ BROS CONSTRUCTION LLC	11/22/2023	INSULATION	\$24,255.52
114417	FT ACQUISITION CO LLC	11/30/2023	LIGHTING	\$8,510.00
114036	HD FOWLER	11/30/2023	LIGHTING	\$2,158.00
113215	PORT OF PASCO	11/30/2023	LIGHTING	\$4,612.00
100826	SMITH INSULATION INC	11/30/2023	WINDOWS	\$3,695.60
			TOTAL	\$135,845.85

PAID INCENTIVES - DECEMBER

VENDOR	NAME	DATE	DESCRIPTION	AMOUNT
113980	SANCHEZ BROS CONSTRUCTION LLC	12/1/2023	INSULATION	\$16,330.82
114024	FRANKLIN COUNTY FACILITIES	12/7/2023	LIGHTING	\$3,826.00
113339	NORTH COAST ELECTRIC COMPANY	12/7/2023	LIGHTING	\$3,860.00
100638	PERFECTION GLASS INC	12/7/2023	WINDOWS	\$6,080.00
100826	SMITH INSULATION INC	12/7/2023	WINDOWS	\$2,446.00
107211	RESER'S FINE FOODS INC	12/14/2023	LIGHTING	\$90,311.00
114428	FRANKLIN COUNTY	12/14/2023	LIGHTING	\$32,653.00
113980	SANCHEZ BROS CONSTRUCTION LLC	12/15/2023	INSULATION	\$37,343.77
100638	PERFECTION GLASS INC	12/21/2023	WINDOWS	\$1,829.40
113980	SANCHEZ BROS CONSTRUCTION LLC	12/22/2023	INSULATION	\$44,951.31
114289	THE GOODYEAR TIRE & RUBBER COMPANY	12/28/2023	LIGHTING	\$910.00
113980	SANCHEZ BROS CONSTRUCTION LLC	12/29/2023	INSULATION	\$22,583.47
			TOTAL	\$263,124.77

FUTURE PROJECTS - UNDER CONTRACT

CONTRACT	INCENTIVE	AMOUNT
10089	LIGHTING	\$1,430.00
10091	HVAC	\$75,000.00
10141	LIGHTING	\$2,129.00
10142	LIGHTING	\$19,987.00
10237	LIGHTING	\$56.00
10252	LIGHTING	\$3,195.00
10288	LIGHTING	\$22,366.00
10313	LIGHTING	\$1,077.00
	TOTAL	\$125,240.00

FUTURE PROJECTS - NOT UNDER CONTRACT

INCENTIVE	AMOUNT
AIR COMPRESSOR	\$71,690.00
BATTERY CHARGER	\$13,632.00
BOILER	\$12,500.00
COLD STORAGE	\$15,000.00
EXPANSION	\$50,000.00
FREEZER/VFDS	\$17,500.00
HVAC	\$144,500.00
LIGHTING	\$421,320.00
MOTORS	\$1,120.00
PUMP/COMPRESSED AIR	\$250,000.00
REFRIGERATION	\$756,021.63
SPRINKLERS	\$6,690.00
STRATEGIC ENERGY MANAGEMENT	\$30,120.00
THERMOSTATS	\$20,000.00
TUNNEL FANS/VFDS	\$187,763.00
UPGRADES	\$375,000.00
VFDS	\$344,904.00
WASTEWATER	\$835,104.00
TOTAL	\$3,552,864.63



PURCHASING



QUOTES

REQUESTOR	TYPE OF PURCHASE	AWARDED	VENDOR(S)
Warehouse	Stock Material	05/04/2023	Border States, Irby Electrical, Anixter, General Pacific
Engineering	Substation Material	05/16/2023	General Pacific
Engineering	Substation Material	05/17/2023	Victor Insulators
Engineering	Substation Trenching	07/03/2023	Trenwa Inc.
Engineering	Substation Material	07/21/2023	Victor Insulators, Borders States, Irby Electrical, Alcad Batteries
Warehouse	Railroad Substation Stock	08/11/2023	Irby Electrical, General Pacific
Meter Shop	Meter Test Board	08/14/2023	Radian Research Inc
Warehouse	Railroad Substation Stock	08/24/2023	Anixter
Engineering	Breakers	08/29/2023	Anixter
Warehouse	Poles	09/08/2023	Stella-Jones
Warehouse	Stock Material	09/19/2023	Irby Electrical, Anixter, General Pacific
Warehouse	Railroad Substation Stock	09/25/2023	Irby Electrical, Anixter, General Pacific
Warehouse	Stock Material	10/06/2023	Border States, Anixter, General Pacific
Engineering	Stock Material	12/18/2023	Border States, Anixter, General Pacific, Irby
Engineering	Vaults	12/18/2023	H2 Pre-Cast Inc.

BIDS

REQUESTOR	TYPE OF PURCHASE	AWARDED	VENDOR
Meter Shop	AMI Meters	03/28/2023	Carlson Sales
Engineering	15kV Metering Cabinet	03/28/2023	General Pacific
Engineering	Primary UG Cable	03/28/2023	General Pacific
Engineering	Single Phase Transformers	03/28/2023	General Pacific
Engineering	115kV GOAB Switches	04/25/2023	Royal Switchgear
Engineering	Steel Structures	06/13/2023	Monarch Machine
Engineering	Steel Transmission Poles	06/28/2023	MVA Power
Operations	Tree Trimming Services	07/25/2023	Boyd's Tree Service
Operations	Janitorial Services	09/12/2023	Intermountain Cleaning
Engineering	Relay Panels	09/26/2023	Schweitzer Engineering
Engineering	Double Circuit Transmission Line Construction	10/24/2023	DJ's Electric Inc.



METRICS & DASHBOARDS



PUBLIC AFFAIRS

Social Media Performance Summary (Dec. 1 – Dec. 31)

Category	Facebook	Twitter	Instagram
Total Followers	2,338	1,087	366
New Followers	5	8	14
Total Impressions	11,928	810	1,441
Total Reach	6,877	N/A	729

Events We've Participated In:

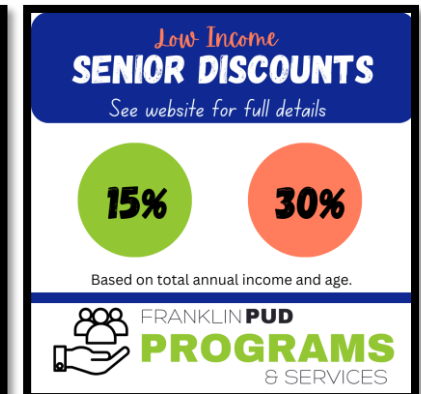
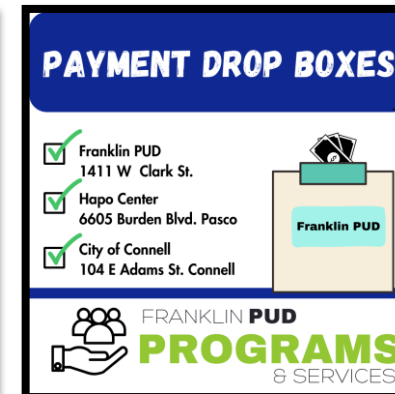
- December 7 – WSU Career Day



Winterizing Your Home (November 2023)

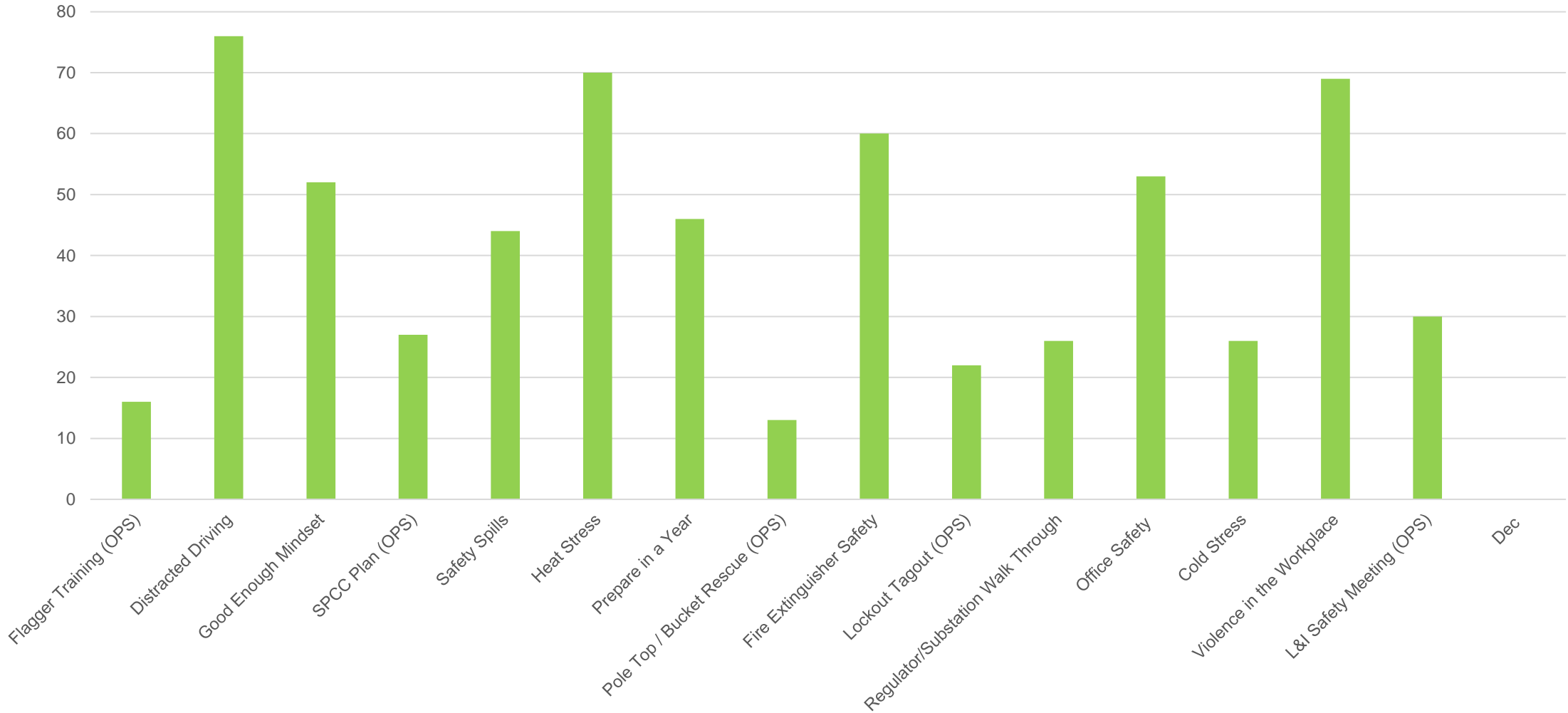


Programs & Services (December 2023)



SAFETY TRAINING

01.23.24 FPUD Special Commission Meeting



CYBERSECURITY

November 2023 Phishing Results:

Out of 85 emails sent:

- 0 Users clicked on a bad link
- 23 Users reported the email as phishing
- Phish-Prone = 0.00%

December 2023 Phishing Results:

Out of 87 emails sent:

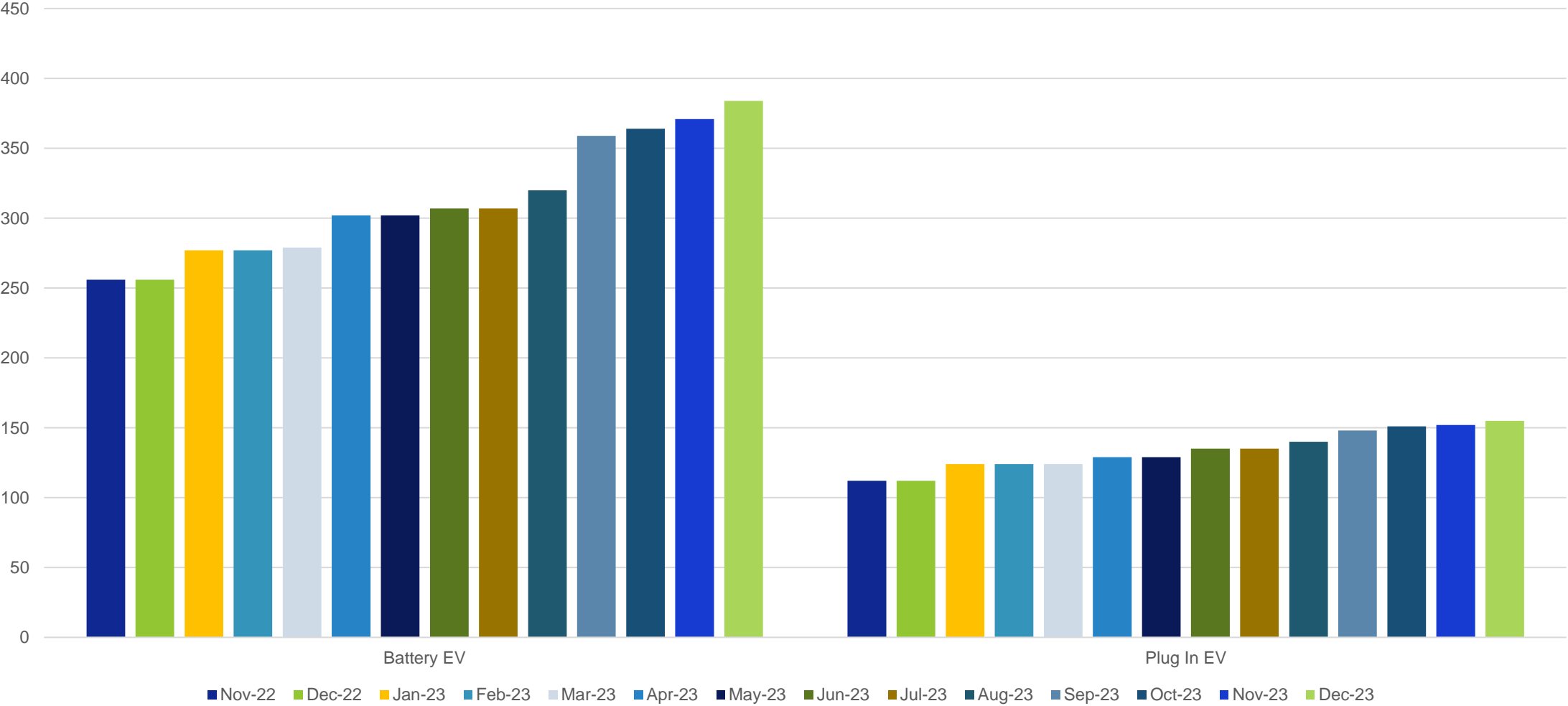
- 1 Users clicked on the link
- 52 Users reported the email as phishing
- Phish-Prone = 1.15%

Previous results

- October – Password set + 1.16% prone to attack
- September – Taylor Swift tickets = 2.33% prone to an attack
- August – You have some new messages = 1.1% prone to an attack
- July – Suspicious Activity = 2.3% prone to an attack
- June – M365 De-Activation = 6.9% prone to an attack
- May – Memorial Day Picnic = 1.1% prone to an attack
- April – Benefits Survey = 0% prone to an attack
- March – Website Error = 0% prone to an attack
- February – Changes to Healthcare = 1.1% prone to an attack
- January – Facebook Join – 1.1% prone to an attack

ELECTRIC VEHICLES

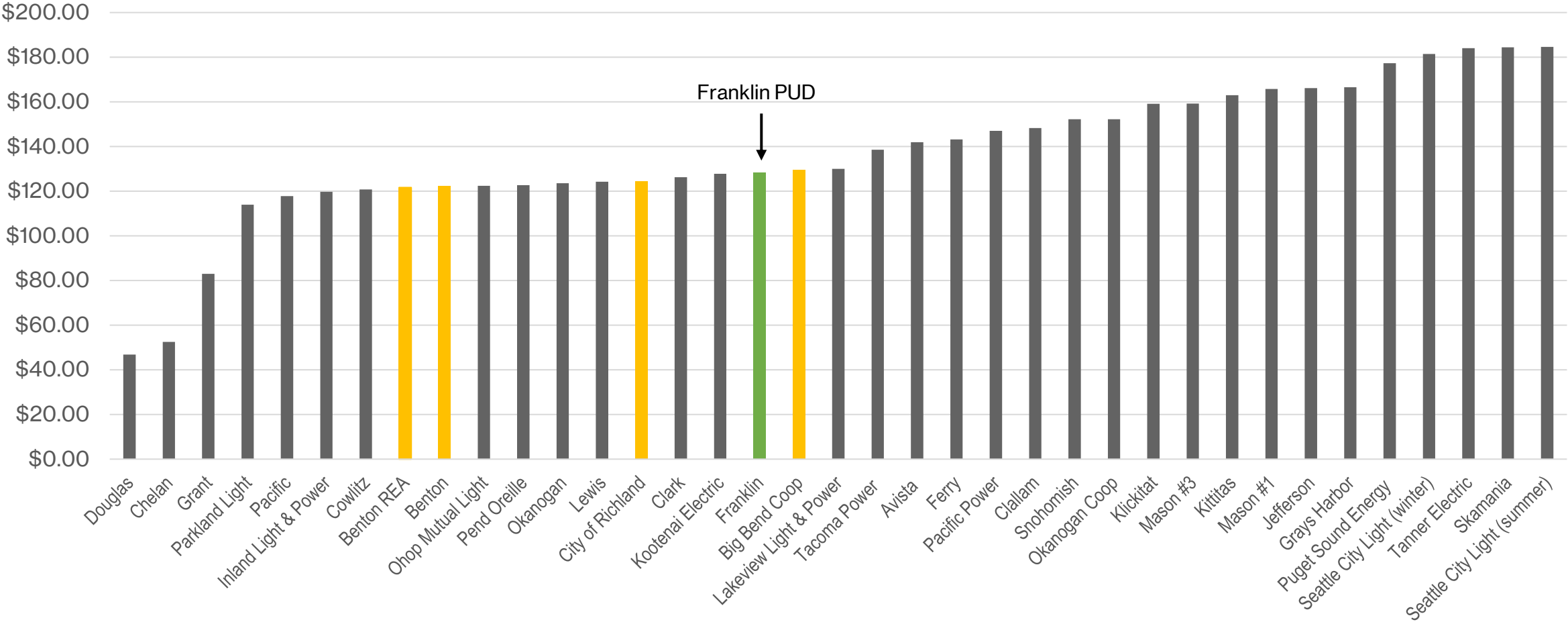
01.23.24 FPUD Special Commission Meeting



RESIDENTIAL RATE COMPARISON

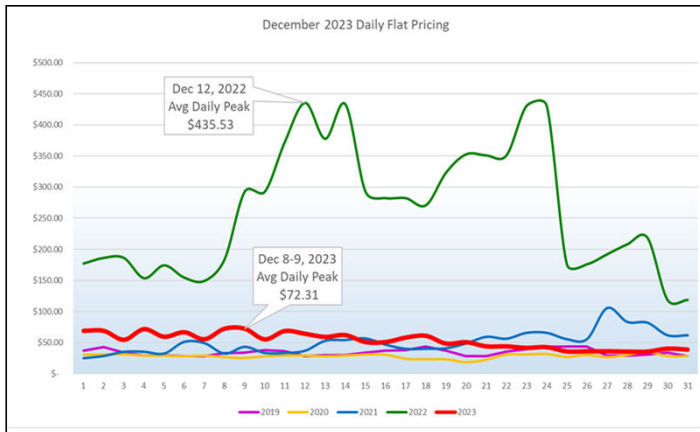
Total Residential Bill
1,400 kWh

Neighboring utilities are shown in orange.

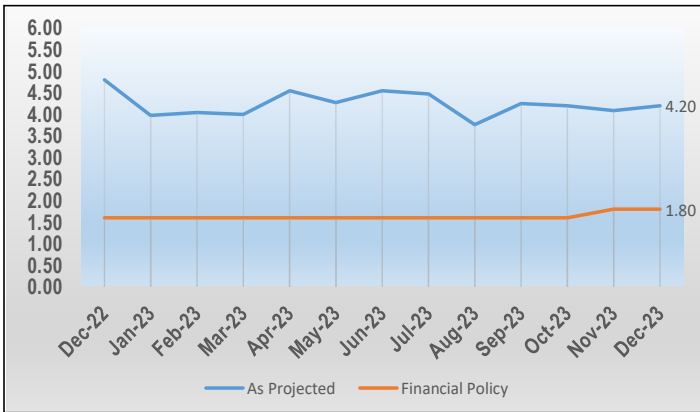


Public Utility District No. 1 of Franklin County
Monthly Financial Highlights
For the Month Ended December 31, 2023

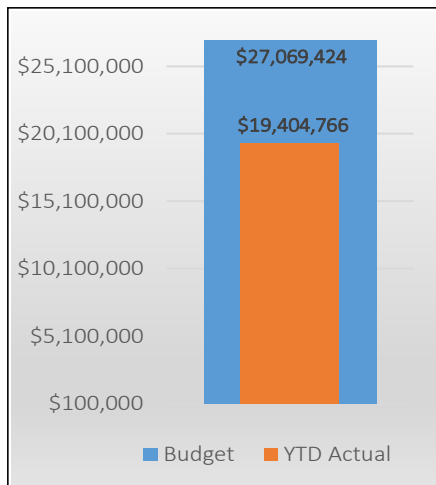
Average Day Ahead Wholesale Power Pricing - Current Month



Debt Service Coverage



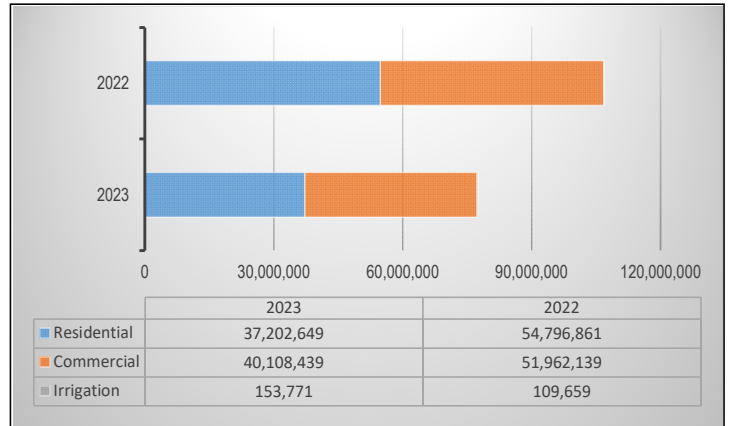
Capital Spending



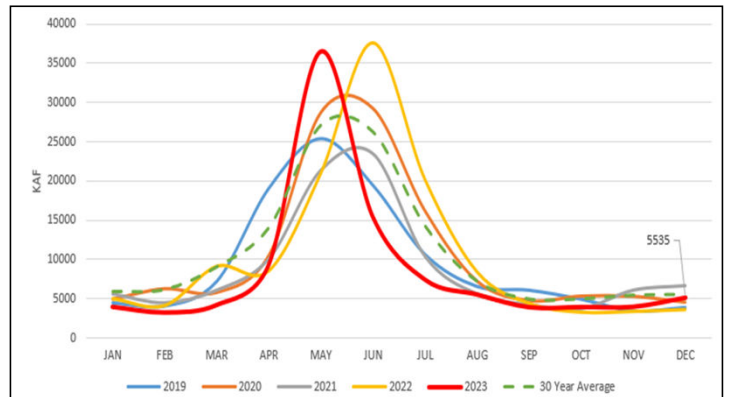
Electric Customer Statistics

As of December 31:	2023	2022
Electric Residential Meters	28,926	28,510 ↑
Electric Commercial Meters	3,827	3,794 ↑
Electric Irrigation Meters	901	899 ↑

Energy Uses - kWh



Runoff at The Dalles



Labor & Benefits

	Budget	Actual	+/- 10%
Capital	\$188,308	\$109,654	●
Operating	1,012,169	976,924	●
Garage & Warehouse	69,118	52,980	●
Total	\$1,269,595	\$1,139,558	

Overtime

YTD December:	Budget*	Actual
Hours	6035	6218
Dollars	\$586,251	\$654,161

*Budget is submitted for annual period, amount shown is prorated for months elapsed

Cash & Investment Balances

	End of Year Forecast		
	Prior Month	Current Month	
Unrestricted Revenue Fund	\$ 40,468,971	\$ 38,696,391	↓
Unrestricted Rate Stabilization	\$ 5,900,000	\$ 5,900,000	●
Restricted Bond Funds	\$ 1,622,221	\$ 1,622,221	●
Restricted Construction Funds	\$ 9,000,000	\$ 9,000,000	●
Restricted Debt Service Reserve	\$ 2,163,204	\$ 2,163,204	●
Restricted Deposit Fund	\$ 1,417,793	\$ 1,417,793	●
Restricted Other	\$ 10,000	\$ 10,000	●

Public Utility District No. 1 of Franklin County
Budget Status Report
For the Months Ended November 30, 2023 and December 31, 2023

	November Actual	December Actual (Preliminary)	YTD Actual (Preliminary)	FY Budget	Variance
1 <i>Operating Revenues</i>					
2 Retail Energy Sales	\$6,488,440	\$6,537,960	\$87,333,508	\$85,580,329	\$1,753,179
3 Broadband Sales	344,980	199,983	2,489,787	2,356,220	133,567
4 Transmission Sales	28,879	26,701	108,770	0	108,770
5 Secondary Market Sales*	1,446,343	1,501,446	19,150,942	25,666,504	(6,515,562)
6 Other Operating Revenue	31,654	26,234	491,805	394,496	97,309
7 <i>Total Operating Revenues</i>	<u>\$8,340,296</u>	<u>\$8,292,324</u>	<u>\$109,574,812</u>	<u>\$113,997,549</u>	<u>(\$4,422,737)</u>
8					
9 <i>Operating Expenses</i>					
10 Power Supply	4,993,286	5,604,388	74,631,011	79,590,624	(4,959,613)
11 System Operations & Maintenance	546,089	741,009	7,030,594	6,525,799	504,795
12 Broadband Operations & Maintenance	78,279	111,808	1,043,732	845,482	198,249
13 Customer Accounts Expense	152,566	146,662	1,974,393	2,124,886	(150,492)
14 Administrative & General Expense	513,765	550,717	6,053,083	7,109,592	(1,056,510)
15 Taxes	370,500	416,079	5,348,678	4,977,127	371,552
16 <i>Total Operating Expenses</i>	<u>6,654,485</u>	<u>7,570,663</u>	<u>96,081,491</u>	<u>101,173,511</u>	<u>(5,092,019)</u>
17					
18 <i>Operating Income (Loss)</i>	<u>\$1,685,811</u>	<u>\$721,661</u>	<u>\$13,493,321</u>	<u>\$12,824,038</u>	<u>\$669,282</u>
19					
20 <i>Non Operating Revenue (Expense)</i>					
21 Interest Income	265,827	307,330	2,537,310	1,253,700	1,283,610
22 Interest Expense	(155,284)	(155,284)	(1,891,935)	(1,891,935)	0
23 Federal Grant Revenue	0	0	79,502	0	79,502
24 Federal Grant Expense	0	0	(79,502)	0	(79,502)
23 Other Non Operating Revenue (Expense)	17,277	(5,658)	(20,000)	10,000	(30,000)
24 <i>Total Non Operating Revenue (Expense)</i>	<u>127,820</u>	<u>146,387</u>	<u>625,376</u>	<u>(628,235)</u>	<u>1,253,611</u>
25					
26 Capital Contributions	548,731	446,642	4,418,870	3,249,996	1,168,874
27					
28 <i>Change in Net Position</i>	<u>\$2,362,363</u>	<u>\$1,314,690</u>	<u>\$18,537,566</u>	<u>\$15,445,799</u>	<u>\$3,091,766</u>
Debt Service Payment (Annual)			\$ 4,869,634	\$ 4,869,634	
Change in Net Position			18,537,566	15,445,799	
Interest Expense			1,891,935	1,891,935	
Net Revenue Available for Debt Service			\$ 20,429,501	\$ 17,337,734	
Debt Service Coverage (DSC)			4.20	3.56	

* Beginning in September 2023, Sales for Resale has been relabeled Secondary Market Sales and includes proceeds from sales of carbon allowances

Public Utility District No. 1 of Franklin County
2023 Capital Budget by Project
Percent of Year Elapsed: 92%

Category	Project Description	Year to Date November 30	2023 Budget	\$ Remaining in Budget	% Spent
Broadband					
	1.23 BROADBAND SYSTEM IMPROVEMENTS & EXPANSION	\$ 341,459	\$ 375,000	\$ 33,541	91.06%
	2.23 BROADBAND CUSTOMER CONNECTS	945,686	570,924	(374,762)	165.64%
142.23	NEW COLLO FACILTY	256,299	300,000	43,701	85.43%
UB 24	COLO-2 REMODEL/EXPANSION	15,499	-	(15,499)	100.00%
198.23	WSBO CONNELL - BASIN CITY PROJECT	11,207	-	(11,207)	100.00%
	Total for Broadband	1,570,150	1,245,924	(324,226)	126.02%
Building					
	92.23 RTU 8 REPLACEMENT- <i>CARRYOVER</i>		130,000	130,000	0.00%
171.23	SWAMP COOLER FOR WAREHOUSE		7,500	7,500	0.00%
172.23	FAN FOR GARAGE		6,000	6,000	0.00%
173.23	BUILDING REMODEL (GARAGE)		100,000	100,000	0.00%
174.23	NEW READERBOARD	54,980	58,000	3,020	94.79%
UB33	CHAMPION DUCTED EVAPORATIVE SWAMP COOLER	5,116	-	(5,116)	100.00%
190.23	ADMIN BLDG GARAGE DOORS SPRING/MOTOR RPL	13,024	-	(13,024)	100.00%
193.23	ENGINEERING CONF ROOM AUDIO SYSTEM	19,374	-	(19,374)	100.00%
	Total for Building	92,494	301,500	209,006	30.68%
Information Handling					
	175.23 UCS BLADES (4)	102,519	96,000	(6,519)	106.79%
	176.23 VOICE ROUTERS (2)		12,000	12,000	0.00%
UB 25	NISC PREPAID METERING IMPLEMENTATION	13,068	-	(13,068)	100.00%
UB 25	NISC ANALYTICS IMPLEMENTATION FEE	26,136	-	(26,136)	100.00%
194.23	ALL IN ONE COMPUTERS- BULK PURCHASE (30)	52,066	-	(52,066)	100.00%
	Total for Information Handling	193,789	108,000	(85,789)	179.43%
System Construction - New Customers					
	121.23 PURCHASE OF AMI METERS	1,427,600	300,000	(1,127,600)	475.87%
	63.23 PURCHASE OF METERS	27,091	-	(27,091)	100.00%
	64.23 CUSTOMER ADDS TO THE DISTRIBUTION SYSTEM	3,020,336	2,550,000	(470,336)	118.44%
	65.23 PURCHASE OF TRANSFORMERS	1,789,007	1,500,000	(289,007)	119.27%
156.23	SUBSTATION TRANSFORMER REIMANN- <i>CARRYOVER</i>	1,347,865	1,400,000	52,135	96.28%
157.23	SUBSTATION TRANSFORMER- <i>CARRYOVER</i>		1,400,000	1,400,000	0.00%
106.23	ACQUIRE FUTURE SUBSTATION SITES- <i>CARRYOVER</i>		500,000	500,000	0.00%
UB42	CT LAND PURCHASE FROM GRAYS HARBOR	300,216	-	(300,216)	100.00%
	Total for System Construction- New Customers	7,912,115	7,650,000	(262,115)	103.43%
System Construction - Reliability & Overloads					
	67.23 UNDERGROUND CABLE REPLACEMENTS	20,830	600,000	579,170	3.47%
	70.23 SCADA UPGRADES- SUBSTATIONS	14,418	60,000	45,582	24.03%
	72.23 MISCELLANEOUS SYSTEM IMPROVEMENTS	920,327	1,000,000	79,674	92.03%
	73.23 REPLACE OBSOLETE BREAKER RELAYS	31,794	350,000	318,206	9.08%
103.23	CONVERT OH/UG- CITY OF PASCO	235,562	475,000	239,438	49.59%
105.23	REPLACE FRANKLIN #1 TRNFMR & DESIGN 12KV	34,738	600,000	565,262	5.79%
130.23	REPLACE 12 KV BUS - FRANKLIN SUB BAY #1- <i>CARRYOVER</i>	803,868	810,000	6,132	99.24%
148.23	VOLTAGE REGULATORS UPGRADES	9,389	300,000	290,611	3.13%
160.23	REFURBISH COURT ST. POWER TRANSFORMER		150,000	150,000	0.00%
161.23	FRANKLIN REBUILD FEEDER GETAWAYS	92,003	300,000	207,997	30.67%
177.23	RAILROAD AVE SUB (REIMANN INDUSTRIAL) TRANSMISSION	89,447	1,000,000	910,553	8.94%
178.23	RAILROAD AVE SUB (REIMANN INDUSTRIAL) SUBSTATION	3,180,684	7,500,000	4,319,316	42.41%
179.23	RAILROAD AVE SUB (REIMANN INDUSTRIAL) DISTRIBUTION		2,250,000	2,250,000	0.00%
168.23	SUBSTATION SECURITY UPGRADES		500,000	500,000	0.00%
CHP.23	CAR HIT POLES	154,435	-	(154,435)	100.00%
	Total for System Construction- Reliability & Overloads	5,587,495	15,895,000	10,307,505	35.15%
Tools					
	180.23 WECO TEST BOARD	61,001	65,000	3,999	93.85%
	181.23 BANTAM PORTABLE TEST BOARD	27,564	42,000	14,436	65.63%
	182.23 DOBLE TRF WITH PRINTER# PH TRANS TURN RATIO FINDER		20,000	20,000	0.00%
UB33	ANDERSON CRIMPER	16,409	-	(16,409)	100.00%
UB33	RD8200 CABLE & PIPE LOCATOR	19,879	-	(19,879)	100.00%
	Total for Tools	124,853	127,000	2,147	98.31%

Public Utility District No. 1 of Franklin County
 2023 Capital Budget by Project
 Percent of Year Elapsed: 92%

Category	Project Description	Year to Date November 30	2023 Budget	\$ Remaining in Budget	% Spent
Vehicles					
	183.23 SERVICE BUCKETS (2)	194,517	500,000	305,483	38.90%
	184.23 DIGGER DERRICK	344,033	480,000	135,967	71.67%
	170.23 BUCKET TRUCK- CARRYOVER		375,000	375,000	0.00%
	185.23 HVAC VEHICLE MACHINE/ VEHICLE LIFTS	7,686	52,000	44,314	14.78%
	186.23 MINI EXCAVATOR		150,000	150,000	0.00%
	187.23 PICKUPS (2)	113,887	185,000	71,113	61.56%
	140.23 TEST VAN- CARRYOVER	5,085	-	(5,085)	100.00%
	UB35 HYDRAULIC TILT EQUIPMENT TRAILER	15,900	-	(15,900)	100.00%
	UB35 LAWN MAINTENANCE DUMP TRAILER	11,253	-	(11,253)	100.00%
	UB33 EQUIPMENT TRAILER	15,035	-	(15,035)	100.00%
	UB35 NEW 2023 FORD RANGER #1	50,636	-	(50,636)	100.00%
	UB35 NEW 2023 FORD RANGER #2	48,077	-	(48,077)	100.00%
	Total for Vehicles	806,109	1,742,000	935,891	46.27%
Grand Total		\$ 16,287,005	\$ 27,069,424	\$ 10,782,419	60.17%

Public Utility District No. 1 of Franklin County
2023 Capital Budget by Project
Percent of Year Elapsed: 100%

Category	Project Description	Year to Date December 31	2023 Budget	\$ Remaining in Budget	% Spent
Broadband					
	1.23 BROADBAND SYSTEM IMPROVEMENTS & EXPANSION	\$ 462,694	\$ 375,000	\$ (87,694)	123.38%
	2.23 BROADBAND CUSTOMER CONNECTS	979,028	570,924	(408,104)	171.48%
142.23	NEW COLLO FACILTY	256,567	300,000	43,433	85.52%
UB 24	COLO-2 REMODEL/EXPANSION	15,499	-	(15,499)	100.00%
198.23	WSBO CONNELL - BASIN CITY PROJECT	22,091	-	(22,091)	100.00%
	Total for Broadband	1,735,879	1,245,924	(489,955)	139.32%
Building					
	92.23 RTU 8 REPLACEMENT- <i>CARRYOVER</i>		130,000	130,000	0.00%
171.23	SWAMP COOLER FOR WAREHOUSE		7,500	7,500	0.00%
172.23	FAN FOR GARAGE		6,000	6,000	0.00%
173.23	BUILDING REMODEL (GARAGE)		100,000	100,000	0.00%
174.23	NEW READERBOARD	54,980	58,000	3,020	94.79%
	UB33 CHAMPION DUCTED EVAPORATIVE SWAMP COOLER	5,116	-	(5,116)	100.00%
188.23	NEW HVAC SERVER ROOM	87,043	-	(87,043)	100.00%
189.23	NEW HVAC COLO 1	161,651	-	(161,651)	100.00%
190.23	ADMIN BLDG GARAGE DOORS SPRING/MOTOR RPL	13,024	-	(13,024)	100.00%
193.23	ENGINEERING CONF ROOM AUDIO SYSTEM	19,374	-	(19,374)	100.00%
204.23	ADA COMPLIANCE/ SAFETY ENHANCEMENT	39,436	-	(39,436)	100.00%
	Total for Building	380,624	301,500	(79,124)	126.24%
Information Handling					
	175.23 UCS BLADES (4)	102,519	96,000	(6,519)	106.79%
	176.23 VOICE ROUTERS (2)		12,000	12,000	0.00%
	UB 25 NISC PREPAID METERING IMPLEMENTATION	13,068	-	(13,068)	100.00%
	UB 25 NISC ANALYTICS IMPLEMENTATION FEE	26,136	-	(26,136)	100.00%
191.23	HVAC SOFTWARE SYSTEM UPGRADE	7,498	-	(7,498)	100.00%
194.23	ALL IN ONE COMPUTERS- BULK PURCHASE (30)	52,066	-	(52,066)	100.00%
	Total for Information Handling	201,287	108,000	(93,287)	186.38%
System Construction - New Customers					
	121.23 PURCHASE OF AMI METERS	1,694,657	300,000	(1,394,657)	564.89%
	63.23 PURCHASE OF METERS	27,091	-	(27,091)	100.00%
	64.23 CUSTOMER ADDS TO THE DISTRIBUTION SYSTEM	3,252,808	2,550,000	(702,808)	127.56%
	65.23 PURCHASE OF TRANSFORMERS	1,985,466	1,500,000	(485,466)	132.36%
156.23	SUBSTATION TRANSFORMER REIMANN- <i>CARRYOVER</i>	1,365,489	1,400,000	34,511	97.53%
157.23	SUBSTATION TRANSFORMER- <i>CARRYOVER</i>		1,400,000	1,400,000	0.00%
106.23	ACQUIRE FUTURE SUBSTATION SITES- <i>CARRYOVER</i>		500,000	500,000	0.00%
	UB42 CT LAND PURCHASE FROM GRAYS HARBOR	350,216	-	(350,216)	100.00%
	Total for System Construction- New Customers	8,675,727	7,650,000	(1,025,727)	113.41%
System Construction - Reliability & Overloads					
	67.23 UNDERGROUND CABLE REPLACEMENTS	24,531	600,000	575,469	4.09%
	70.23 SCADA UPGRADES- SUBSTATIONS	14,418	60,000	45,582	24.03%
	72.23 MISCELLANEOUS SYSTEM IMPROVEMENTS	941,118	1,000,000	58,882	94.11%
	73.23 REPLACE OBSOLETE BREAKER RELAYS	31,794	350,000	318,206	9.08%
103.23	CONVERT OH/UG- CITY OF PASCO	235,562	475,000	239,438	49.59%
105.23	REPLACE FRANKLIN #1 TRNFMR & DESIGN 12KV	34,738	600,000	565,262	5.79%
130.23	REPLACE 12 KV BUS - FRANKLIN SUB BAY #1- <i>CARRYOVER</i>	803,868	810,000	6,132	99.24%
148.23	VOLTAGE REGULATORS UPGRADES	9,389	300,000	290,611	3.13%
160.23	REFURBISH COURT ST. POWER TRANSFORMER		150,000	150,000	0.00%
161.23	FRANKLIN REBUILD FEEDER GETAWAYS	92,003	300,000	207,997	30.67%
177.23	RAILROAD AVE SUB (REIMANN INDUSTRIAL) TRANSMISSION	89,235	1,000,000	910,765	8.92%
178.23	RAILROAD AVE SUB (REIMANN INDUSTRIAL) SUBSTATION	4,104,035	7,500,000	3,395,965	54.72%
179.23	RAILROAD AVE SUB (REIMANN INDUSTRIAL) DISTRIBUTION		2,250,000	2,250,000	0.00%
168.23	SUBSTATION SECURITY UPGRADES		500,000	500,000	0.00%
CHP.23	CAR HIT POLES	163,705	-	(163,705)	100.00%
	Total for System Construction- Reliability & Overloads	6,544,396	15,895,000	9,350,604	41.17%
Tools					
	180.23 WECO TEST BOARD	61,001	65,000	3,999	93.85%
	181.23 BANTAM PORTABLE TEST BOARD	27,564	42,000	14,436	65.63%

Public Utility District No. 1 of Franklin County
 2023 Capital Budget by Project
 Percent of Year Elapsed: 100%

Category	Project Description	Year to Date December 31	2023 Budget	\$ Remaining in Budget	% Spent
	182.23 DOBLE TRF WITH PRINTER# PH TRANS TURN RATIO FINDER		20,000	20,000	0.00%
	UB33 ANDERSON CRIMPER	16,409	-	(16,409)	100.00%
	UB33 RD8200 CABLE & PIPE LOCATOR	19,879	-	(19,879)	100.00%
	Total for Tools	124,853	127,000	2,147	98.31%
Vehicles					
	183.23 SERVICE BUCKETS (2)	194,517	500,000	305,483	38.90%
	184.23 DIGGER DERRICK	344,033	480,000	135,967	71.67%
	170.23 BUCKET TRUCK- CARRYOVER		375,000	375,000	0.00%
	185.23 HVAC VEHICLE MACHINE/ VEHICLE LIFTS	7,686	52,000	44,314	14.78%
	186.23 MINI EXCAVATOR		150,000	150,000	0.00%
	187.23 PICKUPS (2)	113,887	185,000	71,113	61.56%
	140.23 TEST VAN- CARRYOVER	5,085	-	(5,085)	100.00%
	UB35 HYDRAULIC TILT EQUIPMENT TRAILER	15,900	-	(15,900)	100.00%
	UB35 LAWN MAINTENANCE DUMP TRAILER	11,253	-	(11,253)	100.00%
	UB33 EQUIPMENT TRAILER	15,035	-	(15,035)	100.00%
	UB35 NEW 2023 FORD RANGER #1	50,636	-	(50,636)	100.00%
	UB35 NEW 2023 FORD RANGER #2	48,077	-	(48,077)	100.00%
	195.23 FORKLIFT	32,616	-	(32,616)	100.00%
	196.23 VERSALIFT BUCKET TRUCK	205,821	-	(205,821)	100.00%
	Total for Vehicles	1,044,546	1,742,000	697,454	59.96%
Grand Total		\$ 18,707,312	\$ 27,069,424	\$ 8,362,112	69.11%