

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

February 10, 2026 | Tuesday | 8:30 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/81817644308?pwd=8P0bUHV3yvwx7kdQGRWhn21ZOjlw7G.1>

Meeting ID: **818 1764 4308** Passcode: **408980**

- 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) Employee Minute. **Maurilio Lopez, Senior Energy Programs Representative**
- 4) Commissioner Reports
- 5) Consent Agenda
- 6) Battery Energy Storage Systems (BESS) Project Presentation. **Presenter: Brian Johnson, Power Manager**
- 7) Adopting a Resolution Amending the Policies and Procedures for Risk Management and Trading Operations and Superseding Resolutions 992, 993, and 1400. **Presenter: Katrina Fulton, Finance and Customer Service Director**
- 8) Adopting a Resolution finding District property surplus and authorizing the General Manager/CEO or his designee to convey this property to the Port of Pasco (the Port) in exchange for separate property from the Port. **Presenter: Victor Fuentes, General Manager/CEO**
- 9) Management Reports
- 10) Schedule for Next Commission Meetings

- 11) Executive Session, if needed
- 12) Close Meeting – Adjournment

CONSENT AGENDA
Public Utility District No. 1 of Franklin County, Washington
Regular Commission Meeting

1411 W. Clark Street, Pasco, WA
February 10, 2026 | Tuesday | 8:30 A.M.

- 1) To approve the minutes of the January 27, 2026 Regular Commission Meeting.
- 2) To approve payment of expenditures for January 2026 amounting to \$10,276,173.84 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	\$ 597,585.77
Wire Transfers	6,818,260.00
Automated and Refund Vouchers (Checks)	1,260,794.03
Direct Deposits (EFTs)	1,599,534.04
Voids	(0.00)
Total:	\$10,276,173.84

- 3) To approve the Write Offs in substantially the amount listed on the February 2026 Write Off Report totaling \$3,254.61.
- 4) To declare final acceptance of the work completed as inspected by the District; to authorize release of available retainage; and to approve final payment in the amount of \$1,321.31 for work completed by Boyd's Tree Services LLC under Contract 10209, Tree Trimming Services Year Two.
- 5) To declare final acceptance of the work completed as inspected by the District; to authorize release of available retainage; and to approve final payment in the amount of \$4,119.45 for work completed by Paramount Communications, Inc. under Contract 10514, 2025 Miscellaneous Fiber Dock Crew Projects.
- 6) To declare final acceptance of the work completed as inspected by the District; to authorize release of available retainage; and to approve final payment in the amount of \$7,589.25 for work completed by Pacific Pole Inspections, LLC under Contract 10579, Pole Testing and Treatment Year One.
- 7) To declare final acceptance of the work completed as inspected by the District; to authorize release of available retainage, and to approve final payment in the amount of \$4,564.00 for

work completed by Intermountain Cleaning Service, Inc. under Contract 10233, Janitorial Services Year Two.

- 8) To declare final acceptance of the work completed as inspected by the District; to authorize release of available retainage; and to approve final payment in the amount of \$712.08 for work completed by Apollo Sheet Metal, Inc. under Contract 10162, HVAC Maintenance Year Two.

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

**MINUTES OF THE JANUARY 27, 2026
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 January 27, 2026, at 8:30 a.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 included Commissioner Bill Gordon, President; Commissioner Pedro Torres, Vice-President; Commissioner Roger Wright, Secretary; Victor Fuentes, General Manager/CEO; Steve Ferraro, Assistant General Manager; Katrina Fulton, Finance and Customer Service Director; Rosario Viera, Public Information Officer; Mark Hay, Engineering & Operations Director; Tyler Whitney, General Counsel; Lisa Scott, Records Coordinator; and Jessica Marshall, Executive Assistant.

Those who participated from the Public via remote technology or in person for all or part of the meeting included Tim Nies, rate payer, and a member of the public via remote technology.

OPENING

Commissioner Gordon called the meeting to order at 8:30 a.m. and Mr. Nies led the Pledge of Allegiance.

PUBLIC COMMENT

Commissioner Gordon called for public comment and none was received.

EMPLOYEE MINUTE

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

Ms. Scott has been with the District for almost two years and briefly described her job duties within the Public Affairs Department. A brief discussion was held regarding the types of public records requests the District processes. Ms. Scott noted her favorite parts of the job include developing records processes and consulting with employees on their records and departmental retention questions.

Commissioner Gordon asked how she has grown professionally at the District. Ms. Scott

reported that she recently obtained her Public Records Officer Certification through The Washington Association of Public Records Officers. She noted that the process took her three years to complete and expressed appreciation for her supervisor's support.

Commissioner Gordon reported that the Commission believes strongly in Safety First and asked if there were any improvements that could be made. Ms. Scott stated that safety is a daily focus at the District. From a public records perspective, she emphasized the importance of protecting personally identifiable information and noted that employees do a good job in this area.

Commissioner Gordon thanked Ms. Scott for her attendance.

COMMISSIONER REPORTS

Commissioner Wright reported that:

- He attended the Energy Northwest board meetings virtually last week and reviewed key takeaways from the meetings.

Commissioner Gordon reported that:

- He also attended the Energy Northwest board meetings last week and reviewed a few highlights. He noted that his term on the Board of Directors ends in July and asked Commissioner Wright if he would like to serve as the District's representative. Commissioner Wright agreed and will begin attending Energy Northwest meetings to familiarize himself before taking over as representative in July.
- He forwarded an article from the Spokesman Review to Ms. Viera and requested that she review it during her Management Report later in today's meeting.

Commissioner Torres reported that:

- He attended the January WPUDA Association Meetings, and a brief discussion was held regarding HB 2373, which would require electric utilities to provide monthly bill assistance as part of their obligation to offer energy assistance to low-income households.

CONSENT AGENDA

Motion by Commissioner Wright, seconded by Commissioner Torres approving the Consent Agenda as follows.

MOTION PASSED UNANIMOUSLY.

- 1) To approve the minutes of the December 9, 2025 Regular Commission Meeting.
- 2) To approve payment of expenditures for December 2025 amounting to \$14,690,771.62 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	\$ 589,157.71
Wire Transfers	11,400,922.59
Automated and Refund Vouchers (Checks)	824,104.99
Direct Deposits (EFTs)	1,877,238.15
Voids	(651.82)
Total:	\$14,690,771.62

- 3) To approve the Write Offs in substantially the amount listed on the January 2026 Write Off Report totaling \$9,730.08.
- 4) Contracts awarded during 2025 from the District's and Municipal Resources Service Center's (MRSC) statewide Small Works Roster as shown on Attachment A of this agenda item.

AGENDA ITEM 6, DISCUSSING A PROPOSED RESOLUTION AMENDING THE POLICIES AND PROCEDURES FOR RISK MANAGEMENT AND TRADING OPERATIONS AND SUPERSEDING RESOLUTIONS 992, 993, AND 1400

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

A discussion was held on the proposed changes which were provided in the Agenda Item Summary and shown in redline format within the commission packet. The Commissioners concurred with staff's plan to return to the February 10, 2026 Commission Meeting for final review and consideration for adoption of the resolution approving the revised policy.

AGENDA ITEM 7, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A LETTER OF INTENT (LOI) WITH ENERGY NORTHWEST (EN) TO EXTEND THE LIFE OF NINE CANYON WIND PROJECT (NINE CANYON, THE PROJECT)

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

A brief discussion was held on the LOI, terms of the reservation premium, and the capacity of Nine Canyon Wind Project.

Mr. Nies provided a public comment that Energy Northwest is exploring refurbishment of the existing turbines which will then extend the life of the turbines and project.

Motion by Commissioner Wright, seconded by Commissioner Torres authorizing the General Manager/CEO or his designee to execute a Letter of Intent (LOI) with Energy Northwest (EN) to extend the life of Nine Canyon Wind Project (Nine Canyon, The Project) and request a minimum project allocation equal to the Districts current 10.01 MW share, up to a maximum project allocation of 100%, or approximately 98 MW.

MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 8, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF A MULTI-DWELLING UNIT MATERIAL REQUIRED FOR THE CONNELL AND BASIN CITY FIBER-TO-THE-HOME PROJECT

Mr. Hay introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. He noted that one item within the bid did not meet the Build America, Buy America Act requirements as required by the WSBO grant and there is a possibility the District would not be reimbursed for this item, which totals approximately \$4,500. Staff are reviewing if there are any allowable exemptions for potential reimbursement of this item.

Commissioner Gordon asked the reasoning behind the need for multi-dwelling unit material. Mr. Hay reported that this material is needed to provide broadband service to apartments, duplexes, and other multi-dwelling buildings.

Motion by Commissioner Torres, seconded by Commissioner Wright authorizing the General Manager/CEO or his designee to execute a contract with General Pacific, the lowest responsive bidder, for the purchase of multi-dwelling unit material in an amount not to exceed \$97,915.

MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 9, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT EXTENSION WITH DJ'S ELECTRIC, INC. FOR MISCELLANEOUS DOCK CREW PROJECTS

Mr. Hay introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. Staff reported that DJ's Electric, Inc. continues to provide excellent service and craftsmanship for the District.

Motion by Commissioner Wright, seconded by Commissioner Torres authorizing the General Manager/CEO or his designee to execute a contract extension for miscellaneous dock crew projects with DJ's Electric, Inc., for year four funding, effective March 1, 2026, in an amount not to exceed \$1,815,256, which includes a 5% increase for unit pricing.

MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 10, ADOPTING A RESOLUTION AUTHORIZING THE GENERAL MANAGER/CEO TO PROVIDE DISTRICT LOGO CLOTHING TO EMPLOYEES AND AUTHORIZED

REPRESENTATIVES FOR OPERATIONAL IDENTIFICATION TO MAINTAIN PUBLIC SAFETY, PROMOTE A PROFESSIONAL IMAGE AND SUPERSEDING PREVIOUS BOARD ACTIONS

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 since joining the Public Affairs Department, one of her goals has been to increase the number of community outreach events the District participates in. She noted that having volunteers wear logo-clothing during these events ensures the public can easily identify authorized District representatives for both public safety and professionalism.

Motion by Commissioner Torres, seconded by Commissioner Wright adopting Resolution 1445 as presented.

MOTION PASSED UNANIMOUSLY.

Commissioner Gordon requested the executive session portion of today's meeting be moved up on the agenda to accommodate Commissioner Torres in case he needed to leave the Commission Meeting early.

EXECUTIVE SESSION

At 9:11 a.m., Commissioner Gordon called for 4-minute break and noted it would be immediately followed by an executive session.

At 9:15 a.m., the Board of Commissioners entered into an executive session to conclude at 9:30 a.m. The purpose of the executive session were the following reasons:

- RCW 42.30.110(1)(i): *to discuss with legal counsel representing the agency matters relating to potential litigation.*
- RCW 42.30.110(1)(g): *to review the performance of a public employee*

At 9:30 a.m., Commissioner Gordon extended the executive session to conclude at 9:40 a.m., for the same two reasons listed previously.

At 9:40 a.m., Commissioner Gordon ended the executive session and reconvened the regular meeting.

MANAGEMENT REPORTS

GENERAL MANAGER/CEO REPORT

Mr. Fuentes reported that:

- He provided updates on the Fiber-to-the-Home Project and the Change Order with Paramount. Staff plan to complete an inspection of each installation under this project, which is expected to be covered by the grant funding.
- The power upgrades to the back of the administration building have been completed, and the project remains on track for a May 2026 completion date. Mr. Fuentes

reviewed the City of Pasco permit delay that occurred but did not extend the project completion date.

- Energy Northwest plans to attend a future Commission Meeting. He also noted that Energy Northwest is hosting two Cascade virtual information sessions in February, and staff plan to attend.
- He attended the January WPUDA Association Meetings and reviewed a few legislative bills that the District has provided comments on and continue to monitor.
- Mr. William Rimmer, Account Executive with BPA informed him of changes related to BPA staff attending open public meetings. A brief discussion was held on these changes and Mr. Fuentes reported that he will seek further clarification.

FINANCE & CUSTOMER SERVICE DIRECTOR REPORT

Ms. Fulton reported that:

- The November and December 2025 KPI's were included in the commission packet, and she reviewed pertinent slides from within the report.
- Staff continue to monitor and participate in the BPA Grid Access Transmission (GAT) process and the TC-27 proceedings. The District is currently the only point-to-point transmission customer without its own balancing authority and staff are evaluating whether this process will continue to be the best fit for the District.
- The District has selected the preferred bidder for the Battery Energy Storage Systems (BESS) project. Mr. Johnson will attend the February 10, 2026 Commission Meeting to provide a presentation on the BESS project.
- Staff are working with other BPA customers who chose the Block with Shaping Contract to form a customer group.
- Staff have contingency plans depending on how the Ruby Flats project progresses.
- Staff have developed a wheeling rate that will need to be incorporated into the District's Rules and Regulations. There are currently no District customers who meet the criteria for this new rate, and staff do not recommend convening the Rate Advisory Committee (RAC). The Commissioners concurred with staff's recommendation.
- Staff performed a Taxpayer Identification Number (TIN) matching audit using the IRS website. Ms. Fulton noted that no issues were discovered other than cleanup for some W-9's.

ENGINEERING & OPERATIONS DIRECTOR

Mr. Hay reported that:

- He reviewed pertinent slides from the November and December 2025 Operations and Engineering KPI's included in the Commission packet.
- He plans to provide a presentation on the Electric System Plan during the March 24, 2026 Commission Meeting.
- The District received a letter of appreciation from Clark PUD for sending a crew to assist with power restoration efforts during the wind and rainstorm in December.

- Terra Flores, Senior System Engineer and Chris Le, Electrical Engineer began employment with the District in the Engineering Department. Mr. Richmond has been promoted to Distribution Design Manager, and he is in the process of backfilling the Distribution Designer position.
- The Fiber-to-the-Home KPI slide was included in the Commission packet, and he and Mr. Ferraro reviewed updates on the project.
- The Meter shop will be completing a CT audit and will report on the audit during a future Commission Meeting.

Commissioner Gordon requested staff provide department audits during their management report.

ASSISTANT GENERAL MANAGER

Mr. Ferraro reported that:

- Staff are in the process of filling the open Distribution Designer position within the Engineering department.
- Three Summer Intern positions will be posted soon for Accounting, Public Records, and Engineering.
- The IT department is reviewing different monitoring and materials solutions.
- Union negotiations are ongoing.
- He plans to provide a monthly update on the power upgrade project during future Commission Meetings.

PUBLIC INFORMATION OFFICER

Ms. Viera reported that:

- The article Commissioner Gordon shared with her from the Spokesman Review was a letter to the editor responding to a previous letter to the editor claiming catastrophic fish loss in the Lower Snake River dams. Ms. Viera reported that the writer had shared information from a University of Washington study fish population had increased in the dams. She noted that this is the same information that Northwest RiverPartners has shared.
- She is attending the Northwest RiverPartners Board meeting remotely and noted that staff submitted comments to the Department of Ecology on the implementation of the temperature Total Maximum Daily Load study.
- Commissioner Gordon had forwarded an email from APPA calling for new resolutions to set federal advocacy for public power utilities. Historically, the District has not sponsored or co-sponsored a resolution. Ms. Viera reported that for 2026 APPA was focusing on Environmental policy and that staff had reviewed the current resolutions in place and did not have proposed changes to recommend to APPA.
- Letters of support were sent to Senator Maria Cantwell, Senator Patty Murray, and Representative Rick Larsen regarding H.R. 4669, The Fixing Emergency Management for Americans (FEMA) Act of 2025.

- The Public Affairs department received five responses to the survey distributed following the District's Winter Weatherization workshop. Positive feedback was provided by the customers who attended. In the future, staff plan to have customers complete the survey during the workshop rather than following up afterwards.
- She has sent in nominations for former General Manager/CEO Scott Rhee to NWPPA for their Life Member Award and WPUA for their Heritage Life Program.

EXECUTIVE ASSISTANT

Ms. Marshall reported that:

- The next Commission Meeting is scheduled for Tuesday, February 10, 2026 due to the APPA Legislative Rally.

GENERAL COUNSEL

Mr. Whitney reported that:

- He will not be in attendance at the February 10, 2026 Commission Meeting.

With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 10:18 a.m. The next regular meeting will be February 10, 2026, and begin at 8:30 a.m. The meeting will be 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.

CLOSED SESSION

The Board of Commissioners entered into a closed session at 10:20 a.m. to discuss collective bargaining matters with staff, as permitted by RCW 42.30.140.

William Gordon, President

Pedro Torres, Jr., Vice President

Roger Wright, Secretary

Accounts Payable

Check Register - Wires

01/01/2026 To 01/31/2026

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount	
							Amount	
1	3134	01/08/2026	WIRE	113257	EFTPS - PAYROLL TAXES	FEDERAL INCOME TAX		138,834.18
2	3135	01/08/2026	WIRE	114437	OREGON DEPARTMENT OF REVENUE	OREGON WORKERS BENEFIT FUND ASSESS - ER		1,052.85
3	3136	01/12/2026	WIRE	100464	WA STATE DEPT OF RETIREMENT SYSTEMS	PERS PLAN 2		48,006.76
4	3137	01/15/2026	WIRE	112689	BONNEVILLE POWER ADMINISTRATION	EIM SERVICES BILL		44,938.73
5	3139	01/15/2026	WIRE	112715	POWEREX CORP	POWER SUPPLY CONTRACT		742,400.09
6	3140	01/14/2026	WIRE	112776	MORGAN STANLEY CAPITAL GROUP	POWER SWAP		362,828.80
7	3141	01/14/2026	WIRE	112714	MACQUARIE ENERGY NORTH AMERICA TRADING	POWER SWAP		66,188.80
8	3142	01/14/2026	WIRE	112793	CITIGROUP ENERGY INC	POWER SWAP		73,742.44
9	3144	01/27/2026	WIRE	112689	BONNEVILLE POWER ADMINISTRATION	POWER BILL		3,481,728.00
10	3145	01/15/2026	WIRE	101756	SNOHOMISH COUNTY PUD	WHEAT FIELD WIND POWER CONTRACT		1,155,706.97
11	3146	01/29/2026	WIRE	112709	LL&P WIND ENERGY INC	WHITE CREEK WIND		214,821.41
12	3150	01/22/2026	WIRE	113257	EFTPS - PAYROLL TAXES	FEDERAL INCOME TAX		117,263.90
13	3151	01/22/2026	WIRE	114437	OREGON DEPARTMENT OF REVENUE	OREGON WORKERS BENEFIT FUND ASSESS - ER		1,040.16
14	3152	01/26/2026	WIRE	100464	WA STATE DEPT OF RETIREMENT SYSTEMS	PERS PLAN 3 WSIB A		45,697.51
15	3153	01/22/2026	WIRE	109978	WA STATE DEPT OF REVENUE	DECEMBER 2025 EXCISE TAX		311,948.71
16	3155	01/29/2026	WIRE	109978	WA STATE DEPT OF REVENUE	TAX ID #600200226		12,060.69
							Total for Bank Account - 3 :	6,818,260.00
							Grand Total :	6,818,260.00

Accounts Payable

Checks and Customer Refunds

01/01/2026 To 01/31/2026

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Tran	Date	Type	Vendor	Vendor Name	Reference	Amount
							Pmt
1	50561	01/08/2026	CHK	100087	ALTEC INDUSTRIES INC	OPERATING SUPPLIES	50.54
2	50562	01/08/2026	CHK	100129	APOLLO SHEET METAL INC	HVAC MAINTENANCE	1,259.99
3	50563	01/08/2026	CHK	112734	ARNETT INDUSTRIES LLC	OPERATING TOOLS	1,742.62
4	50564	01/08/2026	CHK	100171	BASIN DISPOSAL INC	UTILITY SERVICES	1,916.08
5	50565	01/08/2026	CHK	104565	BIG BEND ELECTRIC COOPERATIVE INC	UTILITY SERVICES	142.57
6	50566	01/08/2026	CHK	100308	BNSF RAILWAY COMPANY	BNSF 2026 ANNUAL ROW LEASE	4,011.76
7	50567	01/08/2026	CHK	114254	BORDER STATES INDUSTRIES INC	WAREHOUSE MATERIALS & SUPPLIES	5,756.02
8	50568	01/08/2026	CHK	114515	BOWMAN CONSULTING GROUP LTD	PROFESSIONAL SERVICES	660.00
9	50569	01/08/2026	CHK	100515	CED	WAREHOUSE MATERIALS & SUPPLIES	4,916.84
10	50570	01/08/2026	CHK	100174	COLUMBIA BASIN LLC	DISPOSAL SERVICE	207.00
11	50571	01/08/2026	CHK	113124	D J'S ELECTRICAL INC	FIBER DOCK CREW	155,536.90
12	50572	01/08/2026	CHK	105071	DIRECT AUTOMOTIVE	AUTO PARTS	23.33
13	50573	01/08/2026	CHK	114010	EDM INTERNATIONAL INC	PHONE SERVICE RENEWAL	290.00
14	50574	01/08/2026	CHK	114077	EMPIRE INNOVATION GROUP LLC	FLEX PLAN	1,622.40
15	50575	01/08/2026	CHK	114136	FIRE FARMS LLC	SAFETY TRAINING	2,240.00
16	50576	01/08/2026	CHK	100518	FRANKLIN COUNTY PUBLIC WORKS	PROFESSIONAL SERVICES	559.19
17	50577	01/08/2026	CHK	114112	GDS ASSOCIATES INC	CONSULTING SERVICES	760.48
18	50578	01/08/2026	CHK	114007	GRIGG ENTERPRISES INC	BUILDING MAINTENANCE & SUPPLIES	1,451.40
19	50579	01/08/2026	CHK	113720	IDSC HOLDINGS LLC	OPERATING TOOLS	21.63
20	50580	01/08/2026	CHK	102722	LES SCHWAB TIRE CENTERS OF WA INC	VEHICLE TIRES & REPAIRS	372.39
21	50581	01/08/2026	CHK	114080	LOOMIS ARMORED US LLC	ARMORED CAR SERVICE	864.20
22	50582	01/08/2026	CHK	100452	ORKIN EXTERMINATING INC	PEST CONTROL	5,067.00
23	50583	01/08/2026	CHK	114205	PERFORMANCE SYSTEMS INTEGRATION LLC	PROFESSIONAL SERVICES	462.18
24	50584	01/08/2026	CHK	100472	PUBLIC POWER COUNCIL	DUES & MEMBERSHIP	55,552.81
25	50585	01/08/2026	CHK	113769	RADIAN RESEARCH INC	METER SHOP MATERIALS & SUPPLIES	20,883.39
26	50586	01/08/2026	CHK	100411	RANCH & HOME INC	BUILDING MAINTENANCE & SUPPLIES	35.38
27	50587	01/08/2026	CHK	109927	VESTIS SERVICES LLC	MATS AND COVERALLS	373.98
28	50588	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	103.60
29	50589	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	89.50
30	50590	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	82.00
31	50591	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	36.71
32	50592	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	15.95
33	50593	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	150.09
34	50594	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	15.85
35	50595	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	237.97
36	50596	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	9.61
37	50597	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	114.72
38	50598	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	23.91
39	50599	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	184.39
40	50600	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	49.07
41	50601	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	145.64
42	50602	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	51.48
43	50603	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	76.05

Accounts Payable

Checks and Customer Refunds

01/01/2026 To 01/31/2026

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
44	50604	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	611.89
45	50605	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	103.39
46	50606	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	324.44
47	50607	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	180.58
48	50608	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	292.02
49	50609	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	174.69
50	50610	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	69.04
51	50611	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	175.43
52	50612	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	35.59
53	50613	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	98.81
54	50614	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	138.17
55	50615	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	92.49
56	50616	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	117.00
57	50617	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	118.28
58	50618	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	73.62
59	50619	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	23.42
60	50620	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	51.54
61	50621	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	197.57
62	50622	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	42.16
63	50623	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	16.13
64	50624	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	125.38
65	50625	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	263.11
66	50626	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	56.50
67	50627	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	440.33
68	50628	01/08/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	222.02
69	50629	01/15/2026	CHK	100087	ALTEC INDUSTRIES INC	OPERATING SUPPLIES	4,955.56
70	50630	01/15/2026	CHK	100116	AMERICAN PUBLIC POWER ASSOC INC	DUES & MEMBERSHIP	41,806.18
71	50631	01/15/2026	CHK	100129	APOLLO SHEET METAL INC	HVAC MAINTENANCE	7,874.66
72	50632	01/15/2026	CHK	100179	BENTON FRANKLIN CAC	HELPING HANDS	1,879.31
73	50633	01/15/2026	CHK	112936	CENTURY LINK	PHONE SERVICES	417.90
74	50634	01/15/2026	CHK	100354	CITY OF CONNELL	PROFESSIONAL SERVICES	400.00
75	50635	01/15/2026	CHK	100360	CITY OF PASCO	UTILITY SERVICES	831.02
76	50636	01/15/2026	CHK	113363	COLEMAN OIL COMPANY	GAS & OTHER FULES	10,125.64
77	50637	01/15/2026	CHK	110413	COMPUNET INC	SOFTWARE MAINTENANCE	5,017.35
78	50638	01/15/2026	CHK	100346	CONNELL OIL INC	GAS & OTHER FULES	1,480.09
79	50639	01/15/2026	CHK	113369	CORWIN OF PASCO LLC	AUTO PARTS	939.85
80	50640	01/15/2026	CHK	113364	DAY WIRELESS SYSTEMS	MOBILE WIRELESS SERVICES	1,622.08
81	50641	01/15/2026	CHK	113406	EMERALD SERVICES INC	DISPOSAL SERVICE	62.50
82	50642	01/15/2026	CHK	113903	ENERGY EDUCATION COUNCIL	DUES & MEMBERSHIP	2,940.00
83	50643	01/15/2026	CHK	100197	FEDEX	SHIPPING CHARGES	423.98
84	50644	01/15/2026	CHK	112943	FERRY COUNTY PUD	CWPU EXPENSE	3,876.99
85	50645	01/15/2026	CHK	100206	FRANKLIN COUNTY GRAPHIC	ADVERTISING	292.50
86	50646	01/15/2026	CHK	114112	GDS ASSOCIATES INC	CONSULTING SERVICES	236.88

Accounts Payable

Checks and Customer Refunds

01/01/2026 To 01/31/2026

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
87	50647	01/15/2026	CHK	100006	LOURDES OCCUPATIONAL HEALTH CENTER	MEDICAL SERVICES	476.00
88	50648	01/15/2026	CHK	113081	NORTHWEST RIVER PARTNERS	DUES & MEMBERSHIP	49,310.00
89	50649	01/15/2026	CHK	100394	OXARC INC	OPERATING SUPPLIES	140.92
90	50650	01/15/2026	CHK	113885	PANERA BREAD COMPANY	MEETING LUNCHEON EXPENSES	345.11
91	50651	01/15/2026	CHK	100424	PASCO CHAMBER OF COMMERCE	DUES & MEMBERSHIP	34.85
92	50652	01/15/2026	CHK	107520	RAILROAD MANAGEMENT COMPANY	POWER CROSSING PERMIT	458.76
93	50653	01/15/2026	CHK	100411	RANCH & HOME INC	BUILDING MAINTENANCE & SUPPLIES	23.95
94	50654	01/15/2026	CHK	101875	RAY POLAND & SONS	DISPOSAL SERVICE	25.00
95	50655	01/15/2026	CHK	114431	STATE ACCIDENT INSURANCE FUND CORP	INSURANCE PREMIUM	5.74
96	50656	01/15/2026	CHK	113870	TOTH AND ASSOCIATES INC	PROFESSIONAL SERVICES	11,171.25
97	50657	01/15/2026	CHK	114099	U.S. PAYMENTS LLC	KIOSK TRANSACTIONS AND FEES	569.15
98	50658	01/15/2026	CHK	111471	VERIZON WIRELESS SERVICES LLC	PHONE SERVICES	4,743.87
99	50659	01/15/2026	CHK	109927	VESTIS SERVICES LLC	MATS AND COVERALLS	357.90
100	50660	01/15/2026	CHK	113626	WATER STREET PUBLIC AFFAIRS LLC	CONSULTING SERVICES	3,500.00
101	50661	01/15/2026	CHK	114162	ZAYO GROUP HOLDINGS INC	BROADBAND SERVICES	2,792.20
102	50662	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	52.09
103	50663	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	69.73
104	50664	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	31.20
105	50665	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	147.30
106	50666	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	83.41
107	50667	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	78.71
108	50668	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	35.52
109	50669	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	118.74
110	50670	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	191.34
111	50671	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	38.44
112	50672	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	303.25
113	50673	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	96.37
114	50674	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	43.75
115	50675	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	39.28
116	50676	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	441.41
117	50677	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	94.03
118	50678	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	35.73
119	50679	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	52.78
120	50680	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	9.30
121	50681	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	65.47
122	50682	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	170.24
123	50683	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	280.01
124	50684	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	112.37
125	50685	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	389.33
126	50686	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	136.54
127	50687	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	51.21
128	50688	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	48.41
129	50689	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	225.86

Accounts Payable

Checks and Customer Refunds

01/01/2026 To 01/31/2026

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
130	50690	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	76.06
131	50691	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	176.12
132	50692	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	37.07
133	50693	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	661.61
134	50694	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	159.67
135	50695	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	120.78
136	50696	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	5.27
137	50697	01/15/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	89.45
138	50698	01/22/2026	CHK	100028	ABADAN	PRINTER MAINTENANCE	710.07
139	50699	01/22/2026	CHK	114357	ALASKA RUBBER GROUP INC	VEHICLE REPAIRS AND SUPPLIES	191.93
140	50700	01/22/2026	CHK	114378	CABLE HUSTON LLP	PROFESSIONAL SERVICES	5,249.50
141	50701	01/22/2026	CHK	100354	CITY OF CONNELL	UTILITY SERVICES	86.68
142	50702	01/22/2026	CHK	100354	CITY OF CONNELL	UTILITY TAX	53,791.24
143	50703	01/22/2026	CHK	100358	CITY OF KAHLOTUS	UTILITY TAX	2,703.33
144	50704	01/22/2026	CHK	100362	CITY OF PASCO-TAX	OCCUPATION/UTILITY	470,508.10
145	50705	01/22/2026	CHK	100360	CITY OF PASCO-UTILITY	UTILITY SERVICES	438.55
146	50706	01/22/2026	CHK	112903	CITY OF RICHLAND	UTILITY SERVICES	29.21
147	50707	01/22/2026	CHK	110413	COMPUNET INC	SOFTWARE MAINTENANCE	15,407.39
148	50708	01/22/2026	CHK	113369	CORWIN OF PASCO LLC	AUTO PARTS	253.25
149	50709	01/22/2026	CHK	114077	EMPIRE INNOVATION GROUP LLC	FLEX PLAN	1,622.40
150	50710	01/22/2026	CHK	100197	FEDEX	SHIPPING CHARGES	125.08
151	50711	01/22/2026	CHK	113899	FIBER MARKETING INTERNATIONAL INC	OPERATING SUPPLIES	201.31
152	50712	01/22/2026	CHK	114007	GRIGG ENTERPRISES INC	BUILDING MAINTENANCE & SUPPLIES	464.60
153	50713	01/22/2026	CHK	113712	NOKIA OF AMERICA CORPORATION	HARDWARE PURCHASE	31,644.16
154	50714	01/22/2026	CHK	113339	NORTH COAST ELECTRIC COMPANY	OPERATING SUPPLIES	41.75
155	50715	01/22/2026	CHK	113405	PACIFIC POLE INSPECTION LLC	POLE INSPECTION & TESTING	13,690.80
156	50716	01/22/2026	CHK	112987	PACIFIC STEEL & RECYCLING	OPERATING SUPPLIES	135.35
157	50717	01/22/2026	CHK	100424	PASCO CHAMBER OF COMMERCE	DUES & MEMBERSHIP	34.85
158	50718	01/22/2026	CHK	113438	PITNEY BOWES INC	MAIL MACHINE LEASE	5,300.21
159	50719	01/22/2026	CHK	100483	SIEFKEN & SONS CONSTRUCTION INC	RETAINAGE RELEASE	10,330.49
160	50720	01/22/2026	CHK	112920	TACOMA SCREW PRODUCTS INC	BUILDING MAINTENANCE & SUPPLIES	33.36
161	50721	01/22/2026	CHK	114108	VERIZON CONNECT FLEET USA LLC	PHONE SERVICES	1,273.09
162	50722	01/22/2026	CHK	113043	VERSATILE MEDIA GROUP	ADVERTISING	1,575.00
163	50723	01/22/2026	CHK	109927	VESTIS SERVICES LLC	MATS AND COVERALLS	210.43
164	50724	01/29/2026	CHK	100087	ALTEC INDUSTRIES INC	OPERATING SUPPLIES	1,473.15
165	50725	01/29/2026	CHK	112734	ARNETT INDUSTRIES LLC	OPERATING TOOLS	1,444.29
166	50726	01/29/2026	CHK	100171	BASIN DISPOSAL INC	BIN RENTALS	297.74
167	50727	01/29/2026	CHK	104565	BIG BEND ELECTRIC COOPERATIVE INC	2025 POLE CONTACTS	18,180.00
168	50728	01/29/2026	CHK	113216	BOYD'S TREE SERVICE	TREE TRIMMING	2,795.09
169	50729	01/29/2026	CHK	114378	CABLE HUSTON LLP	PROFESSIONAL SERVICES	356.00
170	50730	01/29/2026	CHK	114486	CHARTER COMMUNICATIONS HOLDINGS LLC	BROADBAND SERVICES	2,633.71
171	50731	01/29/2026	CHK	110790	CITY OF PASCO	ENERGY SERVICES	2,200.00
172	50732	01/29/2026	CHK	100360	CITY OF PASCO	UTILITY SERVICES	788.08

Accounts Payable

Checks and Customer Refunds

01/01/2026 To 01/31/2026

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
173	50733	01/29/2026	CHK	112961	CITY OF RICHLAND	FIBER LEASE	1,333.73
174	50734	01/29/2026	CHK	113784	COFFMAN ENGINEERS INC	PROFESSIONAL SERVICES	2,000.00
175	50735	01/29/2026	CHK	114144	COGENT COMMUNICATIONS INC	BROADBAND SERVICES	3,389.34
176	50736	01/29/2026	CHK	113369	CORWIN OF PASCO LLC	AUTO PARTS	213.43
177	50737	01/29/2026	CHK	114166	DAUPLER INC	ANNUAL ANSWERING SERVICE SUBSCRIPTION	86,371.69
178	50738	01/29/2026	CHK	100292	DEPARTMENT OF LABOR & INDUSTRIES	L&I BENEFIT	24,661.09
179	50739	01/29/2026	CHK	105071	DIRECT AUTOMOTIVE	AUTO PARTS	662.81
180	50740	01/29/2026	CHK	114007	GRIGG ENTERPRISES INC	BUILDING MAINTENANCE & SUPPLIES	179.69
181	50741	01/29/2026	CHK	114007	GRIGG ENTERPRISES INC	BUILDING MAINTENANCE & SUPPLIES	96.78
182	50742	01/29/2026	CHK	113908	MILNE ENTERPRISES INC	OPERATING TOOLS	384.36
183	50743	01/29/2026	CHK	113339	NORTH COAST ELECTRIC COMPANY	BUILDING MAINTENANCE & SUPPLIES	116.41
184	50744	01/29/2026	CHK	100424	PASCO CHAMBER OF COMMERCE	DUES & MEMBERSHIP	3,750.00
185	50745	01/29/2026	CHK	114616	PRIETO LANDSCAPING LLC	LANDSCAPING MAINTENANCE	4,945.15
186	50746	01/29/2026	CHK	100411	RANCH & HOME INC	BUILDING MAINTENANCE & SUPPLIES	20.69
187	50747	01/29/2026	CHK	105424	RJM EQUIPMENT SALES, INC.	OPERATING TOOLS	343.04
188	50748	01/29/2026	CHK	100505	SIERRA ELECTRIC INC	PROJECT WORK	2,559.15
189	50749	01/29/2026	CHK	106523	TRI CITY REGIONAL CHAMBER OF COMMERCE	DUES & MEMBERSHIP	3,000.00
190	50750	01/29/2026	CHK	112127	US BANK - P CARDS & TRAVEL	PURCHASE CARD	5,676.74
191	50751	01/29/2026	CHK	112127	US BANK - P CARDS & TRAVEL	TRAVEL CARD	451.79
192	50752	01/29/2026	CHK	111471	VERIZON WIRELESS SERVICES LLC	PHONE SERVICES	105.26
193	50753	01/29/2026	CHK	109927	VESTIS SERVICES LLC	MATS AND COVERALLS	183.94
194	50754	01/29/2026	CHK	104325	WA STATE EMPLOYMENT SECURITY DEPT	FAMILY LEAVE INSURANCE	10,186.46
195	50755	01/29/2026	CHK	114368	WA STATE EMPLOYMENT SECURITY DEPT	WA CARES FUND	6,022.26
196	50756	01/29/2026	CHK	104105	WATER SOLUTIONS INC	WATER COOLER RENTAL	359.37
197	50757	01/29/2026	CHK	114608	WORSHAM FARMS LLC	ENERGY SERVICES	18,249.00
198	50758	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	145.07
199	50759	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	50.23
200	50760	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	242.52
201	50761	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	194.25
202	50762	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	114.86
203	50763	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	99.47
204	50764	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	259.14
205	50765	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	118.70
206	50766	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	108.04
207	50767	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	313.56
208	50768	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	288.92
209	50769	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	20.12
210	50770	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	351.17
211	50771	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	67.19
212	50772	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	128.67
213	50773	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	31.22
214	50774	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	423.15
215	50775	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	53.09

FRANKLIN COUNTY PUD

Accounts Payable

Checks and Customer Refunds

01/01/2026 To 01/31/2026

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Tran	Date	Pmt		Vendor Name	Reference	Amount
			Type	Vendor			
216	50776	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	12.25
217	50777	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	86.28
218	50778	01/29/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	88.50
						Total for Bank Account - 1 :	<u>1,260,794.03</u>
						Grand Total :	<u>1,260,794.03</u>

Accounts Payable

Check Register - Direct Deposit

01/01/2026 To 01/31/2026

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt	Vendor	Vendor Name	Reference	Amount
			Type				
1	34265	01/08/2026	DD	113886	AMAZON CAPITAL SERVICES INC	HARDWARE PURCHASE	255.79
2	34266	01/08/2026	DD	100178	BENTON COUNTY PUD	TREE TRIMMING	170.69
3	34267	01/08/2026	DD	114064	CAR WASH PARTNERS INC	CAR WASH VOUCHERS	475.00
4	34268	01/08/2026	DD	102842	ENERGY NORTHWEST	PACKWOOD	31,865.00
5	34269	01/08/2026	DD	114579	FULCRUM ELECTRIC LLC	ELECTRICAL BUILDING UPGRADES	169,230.60
6	34270	01/08/2026	DD	1076	KATRINA B FULTON	EMPLOYEE REIMBURSEMENT	199.00
7	34271	01/08/2026	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	177,807.56
8	34272	01/08/2026	DD	100229	GRAINGER INC	OPERATING SUPPLIES	65.09
9	34273	01/08/2026	DD	112981	GREEN ENERGY TODAY LLC	ESQUATZEL DAM PROJECT	24,208.74
10	34274	01/08/2026	DD	113299	HRA VEBA TRUST	VEBA WELLNESS	17,251.05
11	34275	01/08/2026	DD	100245	IBEW LOCAL 77	UNION DUES	6,008.63
12	34276	01/08/2026	DD	1176	NICOLE R KIRBY	EMPLOYEE REIMBURSEMENT	199.00
13	34277	01/08/2026	DD	113652	LEAF CAPITAL FUNDING LLC	PRINTER LEASE	267.85
14	34278	01/08/2026	DD	114588	LEVEL UP INSULATION LLC	ENERGY SERVICES	21,808.87
15	34279	01/08/2026	DD	100080	MCCURLEY INTEGRITY DEALERSHIPS LLC	AUTO PARTS	10.89
16	34280	01/08/2026	DD	114295	MISSIONSQUARE 107514	DEFERRED COMPENSATION	14,830.04
17	34281	01/08/2026	DD	114294	MISSIONSQUARE 301671	DEFERRED COMPENSATION	22,978.95
18	34282	01/08/2026	DD	114311	MOODY'S INVESTORS SERVICE INC	PROFESSIONAL SERVICES	1,500.00
19	34283	01/08/2026	DD	100130	MOON SECURITY SERVICES INC	SECURITY MAINTENANCE	156.55
20	34284	01/08/2026	DD	113201	NAPA	AUTO PARTS	886.45
21	34285	01/08/2026	DD	113269	NISC	MAILING SERVICES & BANK FEES	1,312.42
22	34286	01/08/2026	DD	100366	NORTHWEST PUBLIC POWER ASSOCIATION	DUES & MEMBERSHIP	35,941.23
23	34287	01/08/2026	DD	113294	PARAMOUNT COMMUNICATIONS, INC	FIBER DOCK CREW	26,565.52
24	34288	01/08/2026	DD	100300	PRINCIPAL BANK PCS	INSURANCE PREMIUM	159,177.42
25	34289	01/08/2026	DD	113445	RELIABLE EQUIPMENT & SERVICE COMPANY, IN	OPERATING TOOLS	702.82
26	34290	01/08/2026	DD	114312	RELIANCE STANDARD LIFE INSURANCE CO	INSURANCE PREMIUM	5,983.32
27	34291	01/08/2026	DD	114326	RELIANCE STANDARD LIFE INSURANCE CO / ASO	INSURANCE PREMIUM	100.00
28	34292	01/08/2026	DD	114602	SALITRE CONSTRUCTION LLC	ENERGY SERVICES	30,167.48
29	34293	01/08/2026	DD	112470	SURVALENT TECHNOLOGY INC	SOFTWARE MAINTENANCE	19,159.87
30	34294	01/08/2026	DD	100478	TRI CITY HERALD	ANNUAL SUBSCRIPTION	314.94
31	34295	01/08/2026	DD	100478	TRI CITY HERALD	ADVERTISING	531.13
32	34296	01/08/2026	DD	100277	UNITED WAY	UNITED WAY	75.00
33	34297	01/15/2026	DD	112724	A W REHN & ASSOCIATES	COBRA NOTIFICATION	22.00
34	34298	01/15/2026	DD	114600	AIRGAS INC	OPERATING SUPPLIES	298.67
35	34299	01/15/2026	DD	113886	AMAZON CAPITAL SERVICES INC	HARDWARE PURCHASE	427.15
36	34300	01/15/2026	DD	102842	ENERGY NORTHWEST	NINE CANYON	154,426.69
37	34301	01/15/2026	DD	100229	GRAINGER INC	FACILITY MAINTENANCE & SUPPLIES	4,015.00
38	34302	01/15/2026	DD	1191	BRIAN C JOHNSON	TRAVEL REIMBURSEMENT	247.26
39	34303	01/15/2026	DD	114588	LEVEL UP INSULATION LLC	ENERGY SERVICES	10,362.72
40	34304	01/15/2026	DD	1246	JESSICA MARSHALL	EMPLOYEE REIMBURSEMENT	149.50
41	34305	01/15/2026	DD	100130	MOON SECURITY SERVICES INC	SECURITY MAINTENANCE	298.24
42	34306	01/15/2026	DD	113201	NAPA	AUTO PARTS	72.26
43	34307	01/15/2026	DD	113269	NISC	MAILING SERVICES	48,953.93
44	34308	01/15/2026	DD	101318	NORTHWEST OPEN ACCESS NETWORK	FIBER SERVICES	9,661.00
45	34309	01/15/2026	DD	100366	NORTHWEST PUBLIC POWER ASSOCIATION	REGISTRATION	4,600.00
46	34310	01/15/2026	DD	111368	ONLINE INFORMATION SERVICES INC	UTILITY EXCHANGE REPORT	697.45

Accounts Payable

Check Register - Direct Deposit

01/01/2026 To 01/31/2026

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt	Vendor	Vendor Name	Reference	Amount
			Type				
47	34311	01/15/2026	DD	114447	PLUTO ACQUISITION OPCO LLC	NEW HIRE BACKGROUND CHECK	278.76
48	34312	01/15/2026	DD	114602	SALITRE CONSTRUCTION LLC	ENERGY SERVICES	31,127.98
49	34313	01/15/2026	DD	112707	THE ENERGY AUTHORITY	TEA SCHEDULING & CONSULTING	123,728.86
50	34314	01/15/2026	DD	100273	TRI-CITY DEVELOPMENT COUNCIL	DUES & MEMBERSHIP	10,000.00
51	34315	01/15/2026	DD	100283	UTILITIES UNDERGROUND LOCATION CENTER	LOCATE SERVICES	322.65
52	34400	01/22/2026	DD	113886	AMAZON CAPITAL SERVICES INC	HARDWARE PURCHASE	261.09
53	34401	01/22/2026	DD	100229	GRAINGER INC	OPERATING TOOLS	763.70
54	34402	01/22/2026	DD	113299	HRA VEBA TRUST	VEBA MEDICAL PLAN 4	85,377.44
55	34403	01/22/2026	DD	113442	ICE TRADE VAULT, LLC	COUNTERPARTY TRADE FEE	423.00
56	34404	01/22/2026	DD	101501	JIM'S PACIFIC GARAGES INC	OPERATING SUPPLIES	208.50
57	34405	01/22/2026	DD	1191	BRIAN C JOHNSON	EMPLOYEE REIMBURSEMENT	2,450.00
58	34406	01/22/2026	DD	113261	LANDIS+GYR TECHNOLOGY, INC	SOFTWARE MAINTENANCE	7,030.64
59	34407	01/22/2026	DD	113652	LEAF CAPITAL FUNDING LLC	PRINTER LEASE	773.19
60	34408	01/22/2026	DD	114588	LEVEL UP INSULATION LLC	ENERGY SERVICES	13,668.91
61	34409	01/22/2026	DD	114295	MISSIONSQUARE 107514	DEFERRED COMPENSATION	14,461.85
62	34410	01/22/2026	DD	114294	MISSIONSQUARE 301671	DEFERRED COMPENSATION	23,232.00
63	34411	01/22/2026	DD	113201	NAPA	AUTO PARTS	139.96
64	34412	01/22/2026	DD	113269	NISC	MAILING SERVICES & BANK FEES	894.11
65	34413	01/22/2026	DD	101318	NORTHWEST OPEN ACCESS NETWORK	BROADBAND SERVICES	37,259.17
66	34414	01/22/2026	DD	100496	SAFETY KLEEN SYSTEMS INC	DISPOSAL SERVICE & SUPPLIES	2,354.86
67	34415	01/22/2026	DD	114602	SALITRE CONSTRUCTION LLC	ENERGY SERVICES	5,731.24
68	34416	01/22/2026	DD	114471	SIXTY MOUNTAIN PLLC	PROFESSIONAL SERVICES	1,035.49
69	34417	01/22/2026	DD	113684	SUSTAINABLE LIVING CENTER	LOW INCOME CERTIFICATIONS	375.00
70	34418	01/22/2026	DD	1221	VICTOR FUENTES	TRAVEL REIMBURSEMENT	629.97
71	34419	01/22/2026	DD	100290	WA PUBLIC UTILITY DISTRICT ASSOC	DUES & MEMBERSHIP	9,999.00
72	34420	01/29/2026	DD	114180	2001 SIXTH LLC	BROADBAND SERVICES	150.00
73	34421	01/29/2026	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	6,651.61
74	34422	01/29/2026	DD	113876	APPLE INC	HARDWARE PURCHASE	2,503.61
75	34423	01/29/2026	DD	100644	DELL MARKETING L.P.	HARDWARE PURCHASE	34,847.39
76	34424	01/29/2026	DD	102842	ENERGY NORTHWEST	PACKWOOD	31,865.00
77	34425	01/29/2026	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	54,681.41
78	34426	01/29/2026	DD	113652	LEAF CAPITAL FUNDING LLC	PRINTER LEASE	962.23
79	34427	01/29/2026	DD	100130	MOON SECURITY SERVICES INC	SECURITY MAINTENANCE	78.93
80	34428	01/29/2026	DD	113201	NAPA	AUTO PARTS	516.20
81	34429	01/29/2026	DD	100366	NORTHWEST PUBLIC POWER ASSOCIATION	TRAINING REGISTRATION	3,020.00
82	34430	01/29/2026	DD	113294	PARAMOUNT COMMUNICATIONS, INC	FIBER DOCK CREW	22,445.26
83	34431	01/29/2026	DD	113168	PORTLAND GENERAL ELECTRIC COMPANY	COB INTERTIE	12,044.16
84	34432	01/29/2026	DD	114602	SALITRE CONSTRUCTION LLC	ENERGY SERVICES	35,087.08
85	34433	01/29/2026	DD	114536	SOUND GRID PARTNERS LLC	HAEIF GRANT CONSULTING SERVICES	2,600.00
86	34434	01/29/2026	DD	100291	STATE AUDITOR'S OFFICE	AUDIT SERVICES	9,532.41
87	34435	01/29/2026	DD	100274	TRI CITIES VISITOR & CONVENTION BUREAU	DUES & MEMBERSHIP	5,000.00
88	34436	01/29/2026	DD	114204	VITAL RECORDS HOLDINGS LLC	RECORDS STORAGE SERVICES	575.93
89	34437	01/29/2026	DD	111202	WESTERN RENEWABLE ENERGY WREGIS	TRANSFER FEES	6.68

Total for Bank Account - 3 : 1,599,534.04

Grand Total : 1,599,534.04

Franklin PUD - Write Off Report

Write Off Report for the Month of:

Feb-26

Collection Agency: **Armada Corporation**

AGENDA ITEM 6

Franklin PUD Commission Meeting Packet
Agenda Item Summary

Presenter: Brian Johnson
Power Manager
Date: February 10, 2026

REPORTING ONLY
 FOR DISCUSSION
 ACTION REQUIRED

1. OBJECTIVE:

Presenting on the Battery Energy Storage Systems (BESS) Project.

2. BACKGROUND:

Staff will provide a presentation on the BESS Project.

3. SUGGESTED MOTION:

None, presentation only.

AGENDA ITEM 7

Franklin PUD Commission Meeting Packet
Agenda Item Summary

Presenter:	Katrina Fulton Finance and Customer Service Director	<input type="checkbox"/> REPORTING ONLY <input type="checkbox"/> FOR DISCUSSION <input checked="" type="checkbox"/> ACTION REQUIRED
Date:	February 10, 2026	

1. OBJECTIVE:

Adopting a Resolution Amending the Policies and Procedures for Risk Management and Trading Operations and Superseding Resolutions 992, 993 and 1400.

2. BACKGROUND:

At the January 27, 2026 Commission meeting, staff reviewed proposed changes to the District's Policies and Procedures for Risk Management and Trading Operations (Policy 49).

Staff have incorporated the following changes which are included in Exhibit A to Resolution 1446 of this agenda item:

- Superseding resolutions 992 and 993, which have been incorporated into the policy under Section III and Appendix D. Appendix D outlines adjusted criteria used in defining short term purchase and sale transactions. Approved transaction terms were changed to 36 months from 48 months to align with implementation of the new Provider of Choice contract.
- The list of non-Federal resources has been moved from Section I to Appendix E.
- Added Section III, Delegation of Authority for Short Term Power and Natural Gas Purchase and Sales Contracts. This replaces the intent of Resolutions 992 and 993.
- Section VI, subsection D – defines Roles and responsibilities for the District's General Manager/CEO.
- Other changes made throughout the policy included updates of District and TEA position titles, terminology, and other references to thermal transactions the District no longer utilizes.

RCW 54.16.040 provides that District power sales contracts to supply electric energy must be first introduced at a Commission meeting at least ten (10) days prior to the date of adoption of a resolution approving such transaction. Resolution 992 was adopted to address this requirement, and the criteria defined therein was adopted in accordance with the statute. Because staff is proposing incorporating this language and adjusted criteria into Policy 49, the same procedure must be followed.

Staff recommends the Commission adopt Resolution 1446 Amending the Policies and Procedures for Risk Management and Trading Operations and Superseding Resolutions 992, 993 and 1400.

3. SUGGESTED MOTION:

I move to adopt Resolution 1446 as presented.

RESOLUTION 1446

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

AMENDING THE POLICIES AND PROCEDURES FOR RISK MANAGEMENT AND TRADING OPERATIONS AND SUPERSEDING RESOLUTIONS 992, 993 AND 1400

WHEREAS, Public Utility District No. 1 of Franklin County, Washington (the District) has signed a Block and Slice Power Sales Agreement, Contract No. 09PB-13047, with Bonneville Power Administration (BPA) which necessitates the District buying and selling power from time to time in wholesale power markets; and

WHEREAS, the District's power supply necessitates the District buying and selling power in wholesale markets; and

WHEREAS, the Board of Commissioners (the Commission) approved Resolutions 992 and 993 on February 22, 2005 authorizing the General Manager/CEO or his designee to buy and sell power and natural gas within certain prescribed limits; and

WHEREAS, buying and selling power in wholesale markets introduces financial risk to the District; and

WHEREAS, the Commission adopted Resolution 884 on August 14, 2001, establishing the Risk Management and Trading Policies (Administrative Policy 49), and subsequently amended said Risk Management and Trading Policies by Motion on February 24, 2004; by Resolution 994 on February 22, 2005; by Resolution 1046 on July 25, 2006; by Resolution 1129 on May 26, 2009; by Motion on March 27, 2012; by Resolution 1183 on June 26, 2012; by Resolution 1200 on February 26, 2013; by Resolution 1205 on August 27, 2013; by Resolution 1230 on February 24, 2015; by Resolution 1251 on April 26, 2016; and by Resolution 1262 on September 27, 2016; and

by Resolution 1320 on May 28, 2019, and by Resolution 1376 on September 27, 2022, and by Resolution 1395 on June 27, 2023, and by Resolution 1400 on November 14, 2023,

WHEREAS, after review and discussion by the Risk Management Committee, staff determined that an amendment is needed to the existing Administrative Policy 49, and

WHEREAS, the existing Administrative Policy 49 makes reference to Resolutions 992 and 993, and

WHEREAS, staff wishes to incorporate the intent of Resolutions 992 and 993 and update the prescribed criteria and limits applying to short term purchases and sales within the Administrative Policy 49, and

WHEREAS, other minor updates have been made to Administrative Policy 49 and presented to the Commission for review, and

WHEREAS, the Commission recognizes the need to amend the Policies and Procedures for Risk Management and Trading Operations, Administrative Policy 49, to include the aforementioned changes; now therefore

BE IT RESOLVED that the Commission adopts the amended Policies and Procedures for Risk Management and Trading Operations attached hereto as Exhibit A of the resolution.

BE IT FURTHER RESOLVED that when administrative changes to the policy are necessary to keep the policy current, the General Manager/CEO will provide notification to the Commission at the next regular Commission meeting.

BE IT FURTHER RESOLVED administrative changes shall mean non-substantive edits that do not alter the intent, scope, responsibilities, authority, or requirements established by the policy; including updates to job titles, organizational structure references, formatting, numbering, cross-references, and appendices.

BE IT FURTHER RESOLVED that Resolutions 992, 993 and 1400 are superseded.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Franklin County, Washington at an open public meeting this 10th day of February 2026.

William Gordon, President

Pedro Torres, Vice President

Roger Wright, Secretary

Public Utility District No. 1 of Franklin County, Washington
POLICIES AND PROCEDURES FOR RISK MANAGEMENT AND TRADING OPERATIONS

I. PREAMBLE

Since October 1, 2001, Public Utility District No.1 of Franklin County, Washington ("the District") has purchased its net requirements wholesale power supply from the Bonneville Power Administration ("BPA") under a 10-year Slice/Block Power Purchase Agreement that was in effect through September 30, 2011. In December 2008, the District entered into a new Slice/Block Power Purchase Agreement with BPA for the term October 1, 2011 through September 30, 2028. The Slice of the System ("Slice") product component requires the District to actively participate in the wholesale power market, through hourly, daily and forward transactions, in order to shape firm Slice generation to load and to dispose of any surplus Slice generation. Unlike a BPA Load Following contract where the quantity of power delivered matches the District's load in each hour, Slice generation is a function of conditions on the Columbia and Snake River systems and Columbia Generating Station availability, which results in periods of surpluses and deficits of energy compared to the load served by the District.

In addition to its Slice/Block Agreement, the District has augmented its power supply portfolio through the execution of long-term power purchase agreements. The integration and optimization of these non-federal resources requires the District be active in the wholesale power and natural gas markets.

The District and The Energy Authority, Inc. (TEA) recognize the need to formalize and institute risk management processes and controls related to wholesale market trading activities. To that end, the District and TEA have documented these policies and procedures. The present document speaks directly to the policies and procedures in managing the District's exposure to wholesale energy commodity market prices.

The policies contained herein are consistent with those approved by the District's Board of Commissioners ("the Commission") originally in Resolution No. 884 adopted on August 14, 2001 and subsequently amended by Motion on February 24, 2004, by Resolution 994 on February 22, 2005, by Resolution 1046 on July 25, 2006, by Resolution 1129 on May 26, 2009, by Motion on March 27, 2012, by Resolution 1183 on June 26, 2012, by Resolution 1200 February 26, 2013 on, by Resolution 1205 on August 27, 2013, by Resolution 1230 on February 24, 2015, by Resolution 1251 on April 26, 2016, by Resolution 1262 on September 27, 2016, by Resolution 1320 on May 28, 2019, by Resolution 1376 on September 27, 2022 by Resolution 1395 on June 27, 2023, by Resolution 1400 on November 14, 2023, and by Resolution 1446 on February 10, 2026.

II. MISSION AND GOAL

The mission statement of the District, adopted by the Commission is as follows:

"To provide safe, reliable, and affordable cost-based power that benefits our customers."

III. DELEGATION OF AUTHORITY FOR SHORT TERM POWER AND NATURAL GAS PURCHASE AND SALES CONTRACTS

The District is authorized pursuant to RCW 54.16.040 to both purchase and supply electric energy, directly or indirectly, to or from any federal agency or any public or private utility which sells energy to the public. The statute specifically provides that District power sales contracts to supply electric energy must be first introduced at a Commission meeting at least ten (10) days prior to the date of adoption of a resolution approving such transaction.

Long standing good utility practice and general course of business in Northwest wholesale energy markets routinely requires immediate action be taken by the District's power management staff in order to capture short term power and natural gas purchase and sale opportunities, that change daily, not allowing sufficient time for adoption of a separate Commission resolution for each purchase or sale.

The District is authorized by RCW 54.16.100 to impose duties upon the District's General Manager/CEO by resolution. Through approval of this policy, the Commission delegates to the General Manager/CEO or his designee of reasonable and limited authority to enter into short term power purchase or sales contracts and associated enabling agreements pursuant to Commission approved criteria, as presented in Appendix D, adopted in conformance with the ten (10) day waiting period procedure specified in RCW 54.16.040 is in the District's best interest by allowing such short term power purchases and sales to be consummated within the time constraints required by the marketplace.

IV. RISK PHILOSOPHY

By purchasing the Slice/Block product the District has assumed responsibility for procuring a wholesale power supply to meet the electrical requirements of its customers rather than rely on BPA to perform this function on its behalf. It is therefore necessary for the District to accept reasonable exposure to power market price volatility in order to maximize the benefits of its power supply portfolio. The District, however, does not engage in speculative commodity market activities that might provide additional gain. Additionally, the District and TEA recognize the significant financial and operational threat of being physically short of supply.

The District and TEA recognize the inherent supply risk of the Slice product, particularly in forecasting hydro generation levels in the early months of a given water year. Varying percentile levels of historic stream flows (e.g., lowest water level is 1% and highest water level is 99%) have been shown to shift the District's energy net position from having monthly deficits to having significant amounts of surplus power. A balance must be struck between the risk of being short in critical and near-critical water years, with the risk of being long and losing favorable forward sale opportunities in the preponderance of years.

V. GOALS OF THE RISK MANAGEMENT PROGRAM

The District has set the following goals and objectives for its risk management program:

1. Manage the price and volume risk of its net position consistent with the risk tolerance of the Commission.
2. Manage the credit risk of its receivables and movements in the forward market price (mark-to-market) for power and natural gas.
3. Provide the requisite information to staff given the responsibility for oversight of power management and the risks inherent in it.
4. Allow those staff to proactively represent to the Commission that appropriate diligence is being exercised regarding oversight of power supply activities.

V. ROLES AND RESPONSIBILITIES

A. Board of Commissioners

The Commission reserves to itself the approval of Policy for the District. By their approval of the risk management program, they also undertake the following responsibilities:

1. Understand the nature of the risks encountered in managing the District's resource portfolio, including approving the types of products that can be purchased or sold for the purpose of managing risk. A copy of currently approved transactions is provided in Appendix A.
2. Understand the methods and procedures that will be employed to manage that risk.
3. Approve amendments to these policies and risk limits.
4. Be updated periodically as to their functioning.
5. Delegate the oversight of that functioning to the District Risk Management Committee.
6. Approve all transactions with terms exceeding 12 months in duration, or that have a delivery period that concludes more than 36 months beyond the date of execution as defined in RCW 54.16.040.
7. Delegate approval of all transactions with terms of 12 months or less, and that have a delivery period that concludes within 36 months beyond the date of execution, to the General Manager/Chief Executive Officer (CEO), or his designee, consistent with Section III and Appendix D.

B. Risk Management Committee

The Risk Management Committee has primary operational risk oversight for the District and shall meet monthly and prepare and approve meeting minutes. The Risk Management

Committee shall be comprised of the following voting members: the District's General Manager/CEO, Assistant General Manager or Energy Resources Director, Power Manager, Sr. Power Analyst, and its Finance and Customer Service Director or Treasurer, or persons holding like-kind positions as determined by the District's General Manager/CEO. At least three voting members of the Risk Management Committee must be present at a meeting for a quorum to exist. At any meeting where a quorum of the Risk Management Committee is present, action may be taken by a majority vote of those voting members which are present. In the event of a vacancy in the voting membership, and to ensure a quorum of the Risk Management Committee, the General Manager/CEO may appoint, with confirmation by a vote of the Risk Management Committee, an alternate staff member who is well versed in the District's power portfolio and trading operations to serve on the Risk Management Committee. Such appointments may be temporary. The Risk Management Committee may ask that other District representatives be present at a Risk Management Committee meeting as non-voting members when warranted by the discussion topic. The District's Risk Management Committee will make decisions following the process outlined in Appendix B. TEA's Account Director and representatives from trading and analytics will attend in person or by conference call as non-voting members. As deemed necessary by the Risk Management Committee, other District and TEA staff may also be asked to attend meetings from time-to-time. The Commission has delegated to the Risk Management Committee ongoing maintenance and enforcement of the District's approved policies and procedures for trading and risk management including updating Appendix C. The responsibilities of the Risk Management Committee shall include:

1. Monitor the market price and counterparty risk of the District's individual portfolio to ensure that such risks are within tolerable limits and being managed in a manner consistent with these documented policies and procedures.
2. Receive and review the following risk reports prepared by TEA:
 3. Daily risk report showing current and the subsequent four years net power cost marked against current expectations for retail loads, slice generation, and forward prices versus budget
 4. Daily report of counterparty credit exposures versus limits
 5. Daily report showing the mark to market exposure of forward transactions
6. Review and approve changes to existing and any new risk reports.
7. Approve transactions that are beyond TEA's limits.
8. Understand the risk/reward relationship of proposed hedging transactions to ensure consistency with the District's overall business strategies, risk tolerances, and yearly budget plans.

9. Approve new hedging products to ensure that products are consistent with business and risk management infrastructure.
10. Establish qualitative and quantitative limits for certain hedging products as deemed necessary.
11. Understand and approve methodologies and models used for long- and short-term load and resource forecasting, and market and credit risk measurement.
12. Ensure that independence and segregation of duties exist at TEA.
13. Approve procedural changes associated with maintenance and operation of trading and risk management and recommend policy changes to the District's Commission.
14. Review any new counterparties and approve their credit limits, as recommended by TEA. The Risk Management Committee shall provide oversight regarding credit matters. As required, a review of an individual counterparty credit documentation status will be included annually at a monthly Risk Management Committee meeting.
15. Delegate authority to TEA to execute certain specific transactions without prior approval from District staff where time constraints make it impractical for TEA to communicate with District staff prior to trade execution. TEA is granted specific trade authority as described in Exhibit B to the Resource Management Agreement between the District and TEA.
16. From time to time, and no less than once a year, review these District's Policies and Procedures for suitability.
17. Represent to the Commission the sufficiency of the District's trading and risk infrastructure and its overall compliance with policy and procedures.
18. Approve all Renewable Energy Credit (REC) transactions.

Meeting minutes will be kept (including any electronic votes taken outside of the meeting) and will be retained by the District consistent with the District's document retention policy.

C. District's Risk Management Committee Chair

The District's Power Manager carries the chief responsibility for the establishment and maintenance of risk management within the District and, to that end, shall act as chair of the Risk Management Committee. The chair is responsible for the assurance of due diligence in the District's operation and to further strengthen the day-to-day control over risk management activities may delegate specific responsibilities to the District's Finance and Customer Service Director or Treasurer who acts as the primary representative of the District in the financial aspects of trading and risk management. The Power Manager will work closely

with the District's Assistant General Manager or Energy Resources Director to ensure that the following responsibilities are carried out:

1. Review specific risk and trading limits and hedging methodologies, and from time to time recommend changes to the Risk Management Committee.
2. Participate in the Risk Management Committee with the purpose of understanding the District's risk position and the means to mitigate it.
3. Monitor risk reports between Risk Management Committee meetings in conjunction with the District's Assistant General Manager or Energy Resources Director.
4. Ensure that compliance with all policies and limits is maintained; represent that fact to the Commission.

D. District's General Manager/CEO

The District's General Manager/CEO holds ultimate responsibility for implementing and enforcing this and other policies. In this capacity, the General Manager/CEO ensures that all energy trading, hedging, and contracting activities are conducted within the risk parameters and authority limits approved by the Board of Commissioners as well as overseeing the development of internal controls, compliance monitoring, and reporting mechanisms to identify, measure, and manage exposure to market, credit, operational, and liquidity risks.

E. District's Director responsible for Power

The District's or Director responsible for Power shall work closely with the District's Power Manager to establish, implement, and monitor the District's risk management program. The Director responsible for Power will act as the primary representative of the District in the operational aspects of trading and risk management. In this capacity, either position will work closely with the District's Power Manager and may delegate specific responsibilities to the District's Sr. Power Analyst to assure that the following duties and responsibilities are carried out:

1. Represent the District on Joint Scheduling and Operating Committee and ensure any operating strategies are consistent with the District's risk management program.
2. Review the prompt month and balance of month net position developed by TEA and recommend or approve new transactions as needed.
3. Review specific risk and trading limits and hedging methodologies, and from time to time recommend changes to the Risk Management Committee.
4. Review trade tickets from TEA for transactions that extend beyond the preschedule period.

5. Monitor risk reports between Risk Management Committee meetings in conjunction with the District's Power Manager.

F. TEA Staff

The roles and responsibilities of TEA staff in the District's trading and risk management operations is provided in Exhibit B of the Resource Management Agreement (RMA) between the District and TEA.

VI. RISK MEASURES AND REPORTING

A. Risk Policies

1. The approved scope of market participation by the District is limited to those activities required to capture optimum value from the District's resource portfolio without engaging in speculative trading activity. It is not the intent of this policy to restrain the legitimate application of analysis to the optimization of resources. It is, however, the express intent to prohibit the acquisition of additional exposure to price and volume risk beyond that encountered in the efficient optimization of the District's resource portfolio. In the event questions arise as to whether a transaction is consistent with this intent shall be discussed among the Risk Management Committee and the rationale will be documented in the meeting minutes.

Specifically, the District acknowledges that engaging in intra-day and intra-week price arbitrage trading strategies utilizing Slice storage and pondage flexibilities is consistent with this Policy. Environmental attribute arbitrage between years of the compliance period is also recognized as similarly consistent with the Policy.

Given the uncertainty in forecasting Slice generation output, the District recognizes the basic tension between maximizing the value of surplus power through forward power sales and the potential cost of being short of energy and/or capacity if resources perform below expectations due to poor hydroelectric conditions and/or thermal generation unit outages. The District has chosen to balance the risk of being short as a result of selling too much power forward with the risk of not optimizing the value of surplus generation.

The Risk Management Committee has approved the use of TEA's stochastic model (TEA Model) of the District's net power costs under changing Slice generation and market price scenarios. The District will not sell physically forward surplus Slice book net position beyond the 10th percentile from the TEA Model until it has information about likely water supply conditions for a particular year. The District will not sell financially forward surplus Slice book net position beyond the 10th percentile unless the TEA model demonstrates an increase in the likelihood of lower net power costs. Financial hedging strategies, such as purchase of put options or forward sale with equivalent

call option purchased as back-up, can be employed to execute forward sale decisions beyond a 10th percentile level.

Once information about forecast water supply conditions is known, generally such information is available by December for the following year, physical or financial forward sales for that water year may be approved by the Risk Management Committee beyond the above levels.

2. Stress-testing scenarios will be devised that subject the net position (load and slice generation) and market price of power to a range of outcomes to determine the impact on the District's projected net power cost. This will typically be performed using the TEA Model. The results of the stress testing will be reported each month at the Risk Management Committee meeting.
3. Net position limits will be observed for the following times and situations:
 - a) Maximum long and short physical positions for preschedule through delivery; short and long side imbalance <= storage capacity.
 - b) Maximum long and short net positions for the delivery month: 10% of load short and 15% of load long.
 - c) Maximum long and short net positions for the front forward month: 10% of load short and 20% of load long.
 - d) Maximum long and short net positions for the next two forward months: 15% of load short and 25% of load long.
 - e) Maximum aggregate long and short net positions for each forward month 4-12: 25% of load short and 50% of load long.

Net position limits will be tested for both heavy load hours, and for all hours, in the applicable time period. Net position limits will not apply to light load hour only positions. Net position limits will be tested against the expected Slice generation scenario.

4. Minimum hedge limits will be observed for the following times and situations and will be in place by October 31st:
 - a) 60% of expected annual position based on P25 Slice for the upcoming calendar year.
 - b) 35% of expected annual position based on P25 Slice for the prompt + one calendar year.

- c) 10% of expected annual position based on P35 Slice for prompt + two calendar years.
- 5. Net positions will be calculated separately for the Slice/Purchased Power.
- 6. All physical forward transactions will be consistent with BPA's 5(b)/9(c) policy.
- 7. Financial derivatives will be used solely for purposes of hedging physical positions.
- 8. Natural gas for power hedges to mitigate power cost risks can be used for the purpose of hedging physical and financial portfolio positions. Physical natural gas purchases will be executed only under the following circumstances:
 - a) When necessary to support a forward wholesale power sale, or an expected retail power sale. It should be noted that short-term (i.e., preschedule and real-time) natural gas and power markets frequently have disparate trading horizons, primarily during periods that include weekends, holidays and month-end. The District acknowledges there will be occasions when gas purchases will not be matched with power sales for a short period of time due to these mismatched trading periods.
 - b) When purchasing physical gas at a daily or monthly index as part of a strategy to manage physical supply requirements.
 - c) Natural gas sales will be executed only to dispose of long natural gas positions and will be made as soon as practicable following the determination that the District is in such a long position.
- 9. Environmental attribute transactions are intended to satisfy the District's expected regulatory compliance requirements at the lowest risk adjusted cost.

B. Mark-to-Market and Stress Testing of Power Costs

- 1. TEA will calculate a daily mark to market of the District's net power costs for the current year, and a daily mark-to-market of the District's net power cost for the subsequent four calendar years. The mark-to-market calculations will consist of the following components and treatments:
 - a) The basis of the calculation will be the most likely estimates of load and resources, which will be expressed as averages by month across HLH and LLH.
 - b) Mark-to-market will utilize Mid-Columbia hub forward power prices and Sumas/Huntingdon and Henry Hub forward prices for natural gas.

- c) All forward transactions will be marked against “mid-market” (average of bid and offer side of market) forward prices.
- d) All sources of supply will be included whether the supply is being used to meet load or is being sold in the market.

2. The District and TEA recognize the importance of having an at-risk metric that captures both the price and volumetric (load and Slice) risks that the District faces. The Risk Management Committee will develop and approve hedging strategies that include at-risk metrics.

C. Reports and Frequency of Reporting

- 1. The forward price curve, currently for Mid-C and Sumas, will be calculated daily and sent to the District.
- 2. The mark-to-market of the current year net power costs will be calculated daily. The mark-to-market of the subsequent four years net power costs will be calculated daily. Mark-to-market reports will be provided to the District via electronic means.
- 3. Net position reports, including checking of forward positions against net position limits, will occur whenever there is a significant change in forecasted Slice generation, but at no time will that be less than weekly in frequency.
- 4. Stress testing of the budget mark-to-market and net position will be presented at the monthly Risk Management Committee meetings.

VII. CREDIT

A. Credit Policy

The District recognizes the potential for significant losses due to events of financial default or the failure to perform regarding contracted takes and deliveries.

The District adheres to the credit policies and credit limits established by TEA. TEA's policy addresses guidelines for setting credit limits and monitors credit exposure on a real-time basis on behalf of the District. TEA's management determines the credit quality of the District's counterparties based upon various credit evaluation factors, including collateral requirements under certain circumstances.

As of September 24, 2008, all physical commodity transactions (for hourly and/or daily) for the District are traded by TEA as principal (on behalf of the District) and rely on TEA's credit limits. All forward physical/financial commodity transactions are entered into only with counterparties approved by the District's Risk Management Committee for creditworthiness.

In order to manage that credit risk, the District and TEA have established the following policies:

1. Commodity transactions, both physical and financial, will be entered into only with approved, creditworthy counterparties.
2. Counterparties will be scored using the TEA Credit Scoring Models. TEA will score each counterparty per a specific model. District's credit limits will be scaled from TEA's limits as follows:
 - TEA limit greater than \$15 million: \$3 million
 - TEA limit \$9 million - \$15 million: \$1.25 million
 - TEA limit less than \$15 million:
 - TEA limit * $(\$1.25 \text{ million} / \$9 \text{ million})$

Each new Counterparty Credit Limit or increase to an existing limit will then be taken before the District's Risk Management Committee for approval. Every counterparty will be reassessed at minimum annually.

3. At no time will the District intentionally incur a credit exposure with any counterparty greater than \$3.0 million, with exception to TEA, where the credit exposure cannot exceed \$6.0 million, unless due to the must sell operational requirement in #5 below.
4. The status of credit risk will be tracked by counterparty at the agreement level and the information made available in real time to TEA trading and scheduling personnel, and those responsible for risk oversight at both the District and TEA; credit reporting will be on a daily basis.
5. The District shall not intentionally exceed the Counterparty Credit Limit with any counterparty without the approval of the Risk Management Committee; the Risk Management Committee may grant TEA the authority to make short-term exceptions as necessary to accommodate operational requirements. Specifically, violation of Counterparty Credit Limits is permissible in must sell situations (i.e., the District will lose the energy if not sold, such as in a spill situation). Similarly, the Risk Management Committee understands that changes in MTM value can result in credit exposures beyond the assigned credit limit.
6. The District understands that transacting over the counter (OTC) swaps carries an additional Commodity Futures Trading Commission (CFTC) reporting function. When the District has a swap reporting obligation, the District's counterparty will report the swap to a CFTC approved Swap Data Repository.

B. Master Agreements and Credit Documentation

1. The District intends to use the Western Systems Power Pool (WSPP) or Edison Electric Institute (EEI) Agreements as the umbrella enabling agreements for approved product transactions as defined in Appendix A.
2. The International Swap Dealers Agreement (ISDA) will be used for all financial transactions. The ISDA Power Annex can also be used for physical power transactions. The North American Energy Standards Board (NAESB) Agreement will be used for Natural Gas Transactions. Separate bi-lateral master trade agreements governing physical natural gas transactions will be negotiated with counterparties as needed.

While Master agreements are the preference of the District, there may be instances such as transacting carbon allowances with non-energy firms (e.g. transportation) under the Washington Climate Commitment Act where it may be necessary to execute on a long form confirmation. In the event such activity becomes necessary, approval of the terms and conditions must be given by Counsel or contract experts to ensure adequate protections are in place.

3. The District's will maintain all signed credit agreements with approved counterparties, and a copy of the agreements will be kept at TEA.

C. Credit Reports

1. The TEA Credit Department will publish a daily credit report that is available to the TEA trading and scheduling in real time on demand. This credit report will be based on the same forward prices used for calculating the mark-to-market. It will include the following: the net billed balance, the unbilled receivable and payable balance, the net notional and mark-to-market exposure of physical and financial transactions by counterparty, highlighting in red those that are within 15% of their available credit limit.
2. Until a master netting and setoff agreement is in place with a counterparty, separate credit exposures for each counterparty will be calculated for each master agreement and will be added together to derive the total credit exposures. Negative exposures under one master agreement will not offset a positive exposure under another master agreement.

D. Credit Exceptions

1. District transactions, either physical or financial, are constrained by these credit limits.
2. TEA personnel involved in day-ahead or same-day trading activities (TEA principal transactions) may exceed a counterparty's credit limit if trading with the counterparty is required to balance load and resources and failure to execute the trade would result in a punitive energy imbalance, or other control area operator or transmission charge. The proposed purchase or sale price of power will not be a consideration in choosing

to execute a transaction in violation of a credit limit. Credit limits also may be exceeded when failure to sell the energy would result in the District permanently losing the energy (i.e., sell it or spill it). If a TEA Trader executes a trade under one of these circumstances, the Trader involved will write an email outlining the reason for the credit exception and providing an estimate of the dollar amount of the credit exceedance. That communication must be forwarded to the appropriate TEA Trading Director, TEA's Account Director for the District, TEA's Credit Manager, and the District's Power Manager before the close of business or the end of the scheduler's shift.

VIII. OTHER POLICIES

A. Separation of Function

1. A separate line of communication will be established between the District and the external counterparty to a trade for purposes of trade confirmation and any required trade reconciliation.
2. All trade confirmations will be executed by the District's Power Manager or its Sr. Power Analyst. The District can confirm transactions using either a paper or electronic method. For counterparties that electronically confirm with the District, the counterparties will be directed to ICE's eConfirm rather than paper confirming. All paper trade confirmations, from counterparties, will be faxed to or emailed to the counterparty or received from the counterparty by either the District's Power Manager, its Sr. Power Analyst or TEA's Risk Control Group. District Power Management staff will forward any confirmations received to the TEA Risk Control Group.
3. TEA's Risk Control Group will make available all trade tickets associated with District transactions upon request.
4. TEA's Risk Control Group will review all paper trade confirmations based on the information contained in the trade ticket and advise the District's Power Manager and Sr. Power Analyst of any changes that are required, if any, before executing the confirmation. Additionally, TEA will monitor ICE's eConfirm to ensure all trades loaded are electronically matched. TEA's Financial Trader or Account Director may be consulted if there are any questions or discrepancies between the trade ticket and the confirmation agreement.
5. The District's Power Manager will initiate trade confirmations based on the information contained on the trade ticket when the master trading agreement specifies that the District is responsible for generating the confirmation agreement. TEA's Risk Control Group will prepare a confirmation letter for the District's Power Manager's execution and distribution or an electronic file for upload.

6. The District's accounting department will do all paying and receiving.

IX. BUSINESS PROCEDURES

A. Transactions

1. Transactions will be recorded via recorded telephone lines, recorded instant messages or at recognized Internet trading sites.
2. The individual making the transaction will fill out a standard trade ticket/database entry containing, at minimum, the following information:
 - a) Date of transaction;
 - b) Counterparty;
 - c) Transaction capacity (MW/hour or MMBtu/day);
 - d) Buy or sell;
 - e) Transaction price;
 - f) Delivery point;
 - g) For options, option type, strike and execution instructions;
 - h) For financial swaps, the reference index;
 - i) Starting delivery date and hour;
 - j) Ending delivery date and hour;
 - k) Product type;
 - l) Any other date, hour and/or capacity data needed to define a shaped product;
 - m) Broker or electronic trading site and fee, if applicable;
 - n) If the trade is a swap;
 - o) Reporting Counterparty;
 - p) Exemptions if any to clearing.
3. A copy of the trade ticket will be passed to the TEA Risk Control Group and a copy retained by the TEA trader executing the transaction.
4. In the event that the master trade agreement directs the counterparty to initiate the trade confirmation, and the counterparty is not electronically confirming with the District, the counterparty will be directed to fax or email the confirmation directly to the District's Power Manager or the TEA Risk Control Group.
5. A TEA Trader will initiate the confirmation process by entering the trade in the appropriate database no later than the end of shift on the day of the trade unless granted an extension by TEA Risk control.

B. Confirmation and Database Entry of Forward Transactions

TEA's Risk Control Group will initiate the confirmation process, when applicable.

1. For transactions longer than the normal preschedule period, the TEA Risk Control Group will fax or transmit electronically a copy of the trade ticket to the District's

Power Manager or Sr. Power Analyst. If the District is responsible for generating a confirmation letter, the TEA Risk Control Group will either (1) create the confirmation letter or (2) include the transaction in the upload file and send it to the District's Power Manager or Sr. Power Analyst for execution and distribution.

2. For counterparties that are paper confirming, the District's Power Manager or Sr. Power Analyst will sign and forward the confirmation letter to the counterparty when the District is the counterparty responsible for initiating the confirmation under the terms of the master agreement governing the transaction. The District's Power Manager or Sr. Power Analyst will receive, compare to the trade ticket, sign and return the confirmation to the counterparty, and a copy to TEA's Risk Control Department, when the counterparty is responsible for initiating the confirmation under the terms of the master agreement governing the transaction.
3. For counterparties that are electronically confirming, regardless of which entity is responsible for initiating the confirmation process, the District's Power Manager or Sr. Power Analyst will upload the file created by TEA's Risk Control Department into ICE's eConfirm. Additionally, the District's Power Manager or Sr. Power Analyst will receive, compare to the trade ticket, sign and verify the information in the confirmation file created by TEA's Risk Control Department prior to loading into ICE's eConfirm.
4. Should there be a disagreement between the counterparty and the TEA trade ticket as to any of the terms of the transaction, it will be the responsibility of the TEA Risk Control Group to work with the TEA trader and the counterparty's representative to resolve all differences on that same business day or as soon as possible.
5. All paper and electronic confirmation and reconciliation of a forward trade will be accomplished by the end of the second full workday after the trade date, or first delivery, whichever is earlier.
6. All trades executed during the day will be entered into the appropriate database by the end of the shift. When a paper confirmation of the trade is received, the TEA Risk Control will reconcile the confirmation with the transaction in the database. TEA will monitor ICE's eConfirm to ensure all transactions loaded into the platform are fully matched.
7. Confirmations will only be required for trades whose delivery term extends beyond the preschedule period.

C. Book Structure

The District will use a book structure in managing and reporting its risk position. A description of the book structure is provided below.

1. Resources, transactions and positions will be segmented into two distinct risk books:

- a) Slice/Purchased Power
- b) Environmental Attributes

2. The Slice/Purchased Power book will consist of any purchased power resource or transaction that is not (i) dependent on natural gas (or alternate fuels) for purposes of pricing delivered power or (ii) backed by a product or resource that is dependent on natural gas (or alternate fuels) for purposes of pricing delivered power. Such resources include BPA Slice and Block, and any applicable market purchase or sale contracts.

Within the Slice / Purchased Power book, transactions will be further segmented into physical and financial sub-books to ensure that both physical and financial positions can be monitored and evaluated.

3. The Environmental Attributes book will consist of intangible non-energy attributes associated with electrical power (e.g., renewable energy credits, carbon emissions, etc.) designed to satisfy regulatory requirements.

D. Forecasting Slice Generation

- 1. Absent snowpack and runoff information on a particular water year, the District will determine probabilities for monthly Slice generation using the most recently completed BPA Multi-Year Study to determine the range of Slice System generation. All mark-to-market and net position reports will use these probabilities.
- 2. A range of Slice generation forecasts will be calculated each month using a methodology approved by the Risk Management Committee. Forecasts will be linked to expected and contingency streamflow forecasts prepared by the Northwest River Forecast Center, or other recognized third-party experts, and will be selected using long-range weather outlooks, and the inherent uncertainty contained in the long-range forecasts. Changes in forecast methodology are permitted only when there is an ability to correct an identified deficiency in methodology, and/or when the Risk Management Committee believes the change will result in improved forecast accuracy.

E. Database Administration

TEA uses a state-of-the-art Deal Capture (DC) system, integrated with The Optimizer scheduling application system for scheduling and transaction accounting. The District and TEA recognize that as these systems evolve, modifications to processes will be made. The database administration and security provisions outlined below reflect the current development status of The Optimizer. A Database Administrator (DBA) has been designated. That person is charged with database security and maintenance for the transaction databases.

The following safeguards for data security and backup will be installed:

1. Transaction data stored in the system of record will be replicated daily to ensure data redundancy.
2. The DC and The Optimizer databases, as well as the daily schedules, will be backed up at least daily after the close of business.

F. Checkout

Monthly Checkout – TEA's Bilateral Settlement Department will checkout all transactions, both volume and dollar amounts, at the end of the month consistent with normal industry practice. TEA's Bilateral Settlement Department will strive to checkout all transactions within 5 business days of the end of the month. TEA's Bilateral Settlement Department also will perform mid-month checkouts as appropriate.

G. New Counterparty Approval

1. New counterparties for transactions on District agreements will be recommended to the Risk Management Committee by TEA.
2. A justification for the initiation of trading will be required.
3. The Risk Management Committee is responsible for establishing, with the assistance of the TEA Credit Manager, credit limits based on the TEA credit limit and documentation requirements for any new trading partner.
4. A new counterparty will not receive final approval until the Risk Management Committee's approval is obtained. Trading with the counterparty is not allowed during that process, with the exception that real-time purchases can be executed with any counterparty, regardless of their prior approval by the Risk Management Committee.

H. New Product or Transaction Type

From time to time, a new transaction type becomes available. Should such new product be considered of advantage to the goals of the District, the process outlined below should be followed:

1. New products will be recommended by TEA and must first be approved by the Risk Management Committee before trade execution.
2. TEA's Risk Manager will provide a justification for the new product stating the value to the District and its credit impact.
3. The Risk Management Committee meeting in monthly or special session, will review that justification and approve the product, and approve quantitative and/or qualitative limits on use of the product if deemed desirable.
4. The Risk Management Committee may defer authorization to the Commission.

5. In any case, the Commission should be informed of the new transaction and its justification.

I. Audit

1. After TEA board approval of changes to the TEA Risk policy, TEA staff will provide a verbal summary of these changes to the Risk Management Committee when the changes impact the service that TEA provides to the District. TEA is not required to summarize changes to the TEA Risk Policy appendix to the District. The District can conduct an internal review of TEA's Risk Management Policies and Procedures. The review of TEA's Risk Management Policy and associated policies and procedures will be done at the TEA office under TEA staff supervision.
2. An auditing firm that has a trading and risk management practice will conduct an external audit or review of this Policy as deemed necessary.

Appendix A **Approved Transactions**

Approved Physical Transactions:

1. Same day purchases and sales of power and natural gas
2. Next day purchases and sales of power and natural gas
3. Forward purchases and sales of power and natural gas. (Transactions longer than 12-months in duration require the District's Commission approval.)
4. Energy exchanges
5. Purchase or sale of capacity or load factoring product (energy deliveries net to zero over a pre-established time period)
6. Purchase of monthly or daily calls and puts
7. Washington state compliant carbon allowances.
8. Renewable Energy Credit (REC) Transactions
9. Transmission service to support purchases and sales from the wholesale market

Approved Financial Transactions:

1. Power and natural gas fixed for floating swaps
2. Natural gas swing swaps
3. Natural gas basis swaps
4. Natural gas index swaps
5. Currency swaps relating to managing US/Canadian exchange rate risk resulting from purchases of natural gas
6. Purchase of monthly put and call options¹
7. Purchase of daily put and call options
8. Purchase of monthly swap options
9. Purchase of dual trigger options that settle based upon a power or natural gas price index and an agreed upon temperature trigger

¹ Settlement of these options should be against applicable Northwest indices. Option exercises automatically at the end of the month if the option is in the money.

Appendix B
Risk Management Committee Decision Making Process

Consensus means that no member holds so strongly to an alternate position that the member cannot allow the decision to be made. There are five levels of agreement/disagreement with a position:

1. I fully agree;
2. I do not view the issue as highly significant, thus I agree through lack of concerns;
3. I have some concerns about the position, but support it as the best wisdom of the group;
4. I have concerns about the position, but support it because I believe my concerns have been heard and considered by the group; or
5. I disagree with the position and believe its implications are so negative that I must protest its acceptance.

Consensus exists when members of the Risk Management Committee hold positions number 1, 2, 3, or 4. When one member of the Risk Management Committee holds position 5, the Risk Management Committee will note a minority dissension to the consensus and reflect that dissension in its decision announcements. Should a greater number of persons dissent, the Risk Management Committee will consider a consensus not to exist and will either drop the issue or ask, "What would be required for the dissenter to agree to the majority position?"

Appendix C

Swap Transaction Representative Selection and Monitoring

Effective Date: January 1, 2013

Type: Mandatory Policy

Applicable Departments: District wide

Purpose:

To ensure the District, a Special Entity under the Dodd-Frank Financial Reform Act, selects a qualified independent representative ("Representative") to provide advice and guidance when entering into swap transactions with Swap Dealers or Major Swap Participants.

Definitions:

Swap Dealer – A swap market participant that acts as a dealer in commodity swaps. The term "Swap Dealer" is further defined in 7 U.S.C. 1a(49) and further interpreted in 17 C.F.R. 1.3(ggg).

Special Entity – A swap transaction counterparty that includes a state agency, city, county, municipality or other political subdivision of a state, or any instrumentality, department, or a corporation of or established by a State or political subdivision of a State. The term "Special Entity" is further defined in 7 U.S.C. 6s(h)(2)(C) and further interpreted in 17 C.F.R. 23.401(C).

Major Swap Participant – A swap market participant that maintains substantial positions in swaps such that the level of swap activity creates substantial counterparty exposure. The term "Major Swap Participant" is further defined in 7 U.S.C. 1a(33) and further interpreted in 17 C.F.R. 1.3(hhh).

Trade Option Exemption – An exemption from most Dodd-Frank swap regulations granted to certain physical commodity options. Recordkeeping and reporting requirements still apply. The requirements for the trade option exemption can be found in 17 C.F.R. 32.3.

End-User Exception – An exception from clearing granted to certain swap transactions used for hedging or mitigating commercial risk. The end-user exception is only available to non-financial entities. The requirements for the exception are outlined in 7 U.S.C. 2(h)(7)(A) and further interpreted in 17 C.F.R. -50.50

Swap – In general terms, a swap includes most financially settled transactions not including futures or options on futures. The term "Swap" is further defined in 7 U.S.C. 1a(47) and further interpreted in 17 C.F.R. 1.3(xxx).

Qualified Independent Representative – a representative required of Special Entities to transact swaps with Swap Dealers or Major Swap Participants. Among other tasks, the representative is required to evaluate fair pricing for the swap transaction, make timely disclosures to the Special Entity and act in the best interest of the Special Entity. An exhaustive list of the requirements for the representative can be found in 17 C.F.R. 23.450(b).

Selection: The District shall endeavor to seek and employ an individual or entity that will voluntarily act as a Representative for all energy commodity swap transactions between the District and any Swap Dealer or Major Swap Participant. The Representative must meet the following qualifications identified in 17 C.F.R. 23.450(b):

- (i) Has sufficient knowledge to evaluate the transaction and risks;
- (ii) Is not subject to a statutory disqualification;
- (iii) Is independent of the Swap Dealer or Major Swap Participant;
- (iv) Undertakes a duty to act in the best interests of the Special Entity it represents;
- (v) Makes appropriate and timely disclosures to the Special Entity;
- (vi) Evaluates, consistent with any guidelines provided by the Special Entity, fair pricing and the appropriateness of the swap; and
- (vii) In the case of a Special Entity as defined in § 23.401(c)(2) or (4), is subject to restrictions on certain political contributions imposed by the Commission, the Securities and Exchange Commission, or a self-regulatory organization subject to the jurisdiction of the Commission or the Securities and Exchange Commission; provided however, that this paragraph (b)(1)(vii) of this section shall not apply if the Representative is an employee of the Special Entity.

The Representative and the District shall enter into a legal agreement that binds the Representative to comply with items (i) through (vii) in this policy.

At no longer than any 12-month interval, the District shall review the performance of the Representative to ensure compliance with items (i) through (vii) in this policy.

Appendix D

Delegation of Authority for Short-Term Power and Natural Gas Transactions

In accordance with Section III, the Commission has delegated approval of all short-term power and natural gas transactions meeting certain criteria to the General Manager/CEO, or his designee.

The criteria for power sales contracts are established as follows:

- The term (delivery period) of the sale is one year (365 days) or less, and the sales transaction concludes no later than 36 months from the date of execution.
- The General Manager/CEO, prior to entering into any short-term sales contracts, shall first make adequate provision for the energy needs of the District, both actual and prospective.

The criteria for power purchase contracts are established as follows:

- The term (delivery period) of the purchase is one year (365 days) or less, and the purchase transaction concludes no later than 36 months from the date of execution.

The Director responsible for Power is designated with the authority to approve short term power and natural gas transactions meeting the criteria of this policy.

Under this designation, the Director responsible for Power has the authority to unilaterally approve short-term transactions within the limits of this policy. However, the authority includes a stipulation that the Director responsible for Power should, whenever possible, obtain the approval of a majority of the Risk Management Committee for transactions that extend beyond 65 days.

When the Director responsible for Power approves transactions unilaterally, the Power Manager will document the basis for such transactions by way of an email to the Risk Management Committee not later than the next Risk Management Committee meeting.

The Power Manager may approve transactions through prompt month. The Sr. Power Analyst may approve transactions through the balance of month.

Appendix E
Non-Federal Power Purchase Agreements

Project/Contract	Counterparty	Project Location	Nameplate Capacity	Resource Type	WREGIS ID
Packwood Lake Hydro Project	Energy Northwest	Lewis County, WA	1.3 aMW	Hydro	N/A
Nine Canyon Wind Project	Energy Northwest	Benton County, WA	10.01 aMW	Wind	W684, W697
White Creek Wind Project	Lakeview Light & Power	Klickitat County, WA	10 aMW	Wind	W360
Esquatzel Small Hydro Project	Green Energy Today	Franklin County, WA	.7 aMW	Hydro	W2460
Summer Capacity – July, August September	Powerex	N/A	40 aMW	Unspecified	N/A
Winter Capacity – January – June, October - December	Powerex	N/A	25 aMW	Unspecified	N/A
Wheat Field Wind Project – May – October	Snohomish PUD	Gilliam County, OR	97 aMW	Wind	W806

AGENDA ITEM 8

Franklin PUD Commission Meeting Packet
Agenda Item Summary

Presenter: **Victor Fuentes**
General Manager/CEO

Date: **February 10, 2026**

REPORTING ONLY
 FOR DISCUSSION
 ACTION REQUIRED

1. OBJECTIVE:

Adopting a Resolution finding District property surplus and authorizing the General Manager/CEO or his designee to convey this property to the Port of Pasco (the Port) in exchange for a separate property from the Port.

2. BACKGROUND:

In July 2025, the Commission authorized the General Manager/CEO to execute an Interlocal Agreement (ILA) between the District and the Port of Pasco to negotiate the purchase or exchange of various parcels of land. Among other things, the ILA provided a process for the valuation of two parcels the District and the Port wish to exchange, and additional property the District would like to purchase from the Port for siting a Battery Energy Storage System (BESS) project. The ILA was executed August 29, 2025.

Over the course of the following months, the Port has moved forward with the subdivision process for the Reimann Industrial Center, including the properties referenced in the ILA. It was the District's intent to have one agreement that would facilitate the exchange of two small parcels and the purchase of an additional parcel. The Port has requested that the exchange of the small parcels take place first, in order to continue the subdivision process and prevent delays. The District's purchase of the additional property would be negotiated in a separate purchase and sale agreement, which staff will bring back to a future Commission meeting for discussion prior to execution. A Broker's Opinion of Value was completed for all parcels, and the two small parcels were deemed equal in value.

Staff supports accommodating the Port's request, as the Port has been a productive partner and is supportive of the District's potential BESS project. To facilitate the exchange, the District and the Port will each execute a statutory warranty deed for their respective parcel, such that a portion of tax parcel 124-680-038 (5,015 square feet) would be conveyed to the Port, and a portion of tax parcel 124-680-045 (4,993 square feet) would be conveyed to the District. Proposed legal descriptions for the properties are attached to the Resolution as Exhibit A. The District would retain a utility easement on its parcel being transferred to the Port.

Staff recommends the Commission adopt resolution 1447, finding the District's parcel surplus and authorizing the General Manager/CEO or his designee to convey this parcel

to the Port in exchange for the Port's parcel, and subject to the retention of a utility easement on the District's parcel.

3. SUGGESTED MOTION:

I move to adopt resolution 1447 as presented.

RESOLUTION 1447

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

FINDING DISTRICT PROPERTY SURPLUS AND AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO CONVEY THE PROPERTY TO THE PORT OF PASCO

WHEREAS, Public Utility District No. 1 of Franklin County (the District) owns property on Railroad Avenue in Pasco, WA (parcel #124-680-038) (the Property), and

WHEREAS, the District's Railroad Avenue Substation currently sits on a portion of the Property, and

WHEREAS, the Property contains an area for which the District has no plans for any future projects or other District electrical needs on that portion of the Property identified as Lot 1, Short Plat 2002-07 recorded under Auditor's File No. 1603399, and which is attached as Exhibit A (the Surplus Parcel), and

WHEREAS, after analyzing the Property and discussing potential uses with the Port of Pasco (the Port), District staff has determined that, subject to the retention of a utility easement for current and future District facilities, the Surplus Parcel is unserviceable, inadequate, obsolete, worn out, or unfit to be used in the District's operations, and no longer necessary, material to, or useful in the operations of the District and, therefore, surplus to the needs of the District; and

WHEREAS, the Port owns a piece of property adjacent to the District's Railroad Avenue Substation (tax parcel #124-680-045), a portion of which (the Port Parcel) the Port is willing to convey to the District in exchange for the Surplus Parcel; now therefore

BE IT RESOLVED that the Board of Commissioners finds and declares that, subject to the retention of a utility easement for current and future District facilities, the Surplus Parcel is

unserviceable, inadequate, obsolete, worn out, or unfit to be used in the District's operations, and no longer necessary, material to, or useful in the operations of the District, and therefore surplus to the needs of the District.

BE IT FURTHER RESOLVED THAT the General Manager/CEO or his designee is authorized to complete the necessary processes and documents to convey the Surplus Parcel to the Port of Pasco in accordance with state laws, in exchange for the Port conveying the Port Parcel to the District.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Franklin County at an open public meeting this 10th day of February 2026.

William Gordon, President

Pedro Torres, Vice President

Roger Wright, Secretary

Exhibit A

Legal Description

A portion of Lot 1, Short Plat 2002-07 according to the Short Plat thereof, recorded in Volume 1 of Short Plats, page 561 and recorded under Auditor's File No. 1603399, Records of Franklin County, Washington, lying in a portion of the southwest quarter of the northwest quarter of Section 31, Township 10 North, Range 30 East, Willamette Meridian, described as follows;

BEGINNING at a Brass cap marking the northwest corner of said Section 31 from which a Brass cap marking the northeast corner of the northwest quarter of said Section 31 bears North 89°57'25" East, 2983.46 feet;

Thence along the west line of the northwest quarter of said Section 31, South 0°14'49" East, 2211.83 feet to an angle point in the westerly boundary of said Lot 1, said point bears South 41°38'35" West, 149.75 feet from the most northerly northwest corner of said Lot 1;

Thence continuing along the west line of the northwest quarter of said Section 31 and the westerly boundary of said Lot 1, South 0°14'49" East, 189.18 feet to the **TRUE POINT OF BEGINNING** of the parcel to be described;

Thence continuing along the west line of the northwest quarter of said Section 31 and the westerly boundary of said Lot 1, South 0°14'49" East, 78.39 feet;

Thence leaving the west line of the northwest quarter of said Section 31 and continuing along the westerly boundary of said Lot 1, South 10°59'26" East, 2.80 feet;

Thence leaving the westerly boundary of said Lot 1, North 89°03'29" East, 20.29 feet to an angle point in the easterly boundary of said Lot 1, said point also being the most southerly southwest corner of Lot 2, of that certain Record of Survey for a Boundary Line Adjustment, recorded in Book 4 of Surveys, page 435 and recorded under Auditor's File No. 1973566, Records of Franklin County, Washington;

Thence along the common boundary of said Lot 1 and said Lot 2, North 41°34'39" East, 116.77 feet, said point bears South 41°34'39" West, 221.70 feet from the most northerly and easterly northeast corner of said Lot 1;

Thence leaving the common boundary of said Lot 1 and said Lot 2, southwesterly, along the arc of a 540.00-foot radius, non-tangent curve to the left (the radius of which bears South 01°03'21" West) through a central angle of 09°51'52" for an arc length of 92.97 feet (the long chord of which bears South 86°07'25" West, 92.85 feet);

Thence northwesterly, along the arc of a 29.00-foot radius, reverse curve to the right (the radius of which bears North 08°29'30" West) through a central angle of 11°54'00" for an arc length of 6.02 feet (the long chord of which bears South 87°27'30" West, 6.01 feet) to the **TRUE POINT OF BEGINNING** and the end of this legal description.

Containing 5015 square feet, more or less.

TOGETHER WITH AND SUBJECT TO easements, reservations, covenants and restrictions apparent or of record.

Depiction of Surplus Parcel

