

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

MINUTES OF THE MARCH 24, 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 March 24, 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, Legal Counsel; Ben Hooper, Transmission & Distribution Superintendent; David Montelongo, Operations Manager; Andrea Sell, Meter Shop/Relay Foreman; Antoinette Fite, PC Technician; Chad Schow, IT Manager; Mitch Sumner, Community Relations 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; Brianna Melling, student; and William Rimmer, Account Executive with BPA.

**OPENING**

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

Commissioner Gordon requested the Public Comment portion of today's meeting be moved after the employee recognitions. Commissioners Torres and Wright concurred, and the agenda was adjusted.

Commissioner Gordon called on Ms. Melling who was attending today's Commission meeting as the District's Washinton PUD Association (WPUDA) Educational Scholarship nominee. Ms. Melling introduced herself and thanked the Commission for the nomination and opportunity.

Ms. Viera noted that the District received two applications for the WPUDA Educational Scholarship that will be awarded to a dependent of a PUD employee and member of WPUDA. A drawing was done, and Ms. Melling was selected as the District's nominee to forward to WPUDA for consideration. WPUDA will announce the winner of the educational scholarship during their Annual Meeting in April 2026.

The Commission congratulated Ms. Melling and wished her luck in the process.

**EMPLOYEE RECOGNITION, 20-YEAR SERVICE ANNIVERSARY**

Mr. Schow introduced Ms. Fite and congratulated her on her 20-year service anniversary with the District. The Commission congratulated Ms. Fite on her service anniversary.

**EMPLOYEE RECOGNITION**

Mr. Fuentes introduced Ms. Sell and informed the Commission that Ms. Sell will be leaving the District after 26 years. Staff spoke about her service and expressed their appreciation of her time with the District.

The Commission thanked Ms. Sell for her time with the District and wished her luck in her new position.

At 8:43 a.m., Commissioner Gordon called for a recess and reconvened the regular meeting at 8:55 a.m.

**PUBLIC COMMENT**

Commissioner Gordon called for public comment and Mr. Rimmer was present for today's Commission meeting.

Mr. Rimmer provided updates and held a discussion on the BPA Rate Case, Hydro Operations, and Residential Exchange Program.

Questions posed from the Commission throughout the discussion included rate increase impacts, the open BPA Administrator position, and transmission.

Mr. Rimmer noted BPA is working internally to schedule the BPA Block with Shaping group meetings, and thanked Mr. Johnson for his feedback and questions.

The Commission thanked Mr. Rimmer for attending today's Commission meeting.

No additional public comment was received.

**COMMISSIONER REPORTS**

Commissioner Torres reported that:

- He attended the February WPUDA Association meetings, which included PUD Day on the Hill on February 11, 2026. He reviewed conversations held with legislators.
- He attended the APPA Legislative Rally and WPUDA meetings held in Washington D.C. and reviewed various legislative meetings he attended.
- He virtually attended the March WPUDA Association meetings last week.

Commissioner Wright reported that:

- He attended the March NoaNet Board meeting and briefly reviewed updates, including the approval of Bigfoot Communications as a new NoaNet member.
- He attended the March WPUDA Association meetings last week and reviewed the Public Disclosure Commission (PDC) training provided and discussions held during committee meetings.
- He received a customer request that was forwarded to Mr. Fuentes for staff follow-up. Staff reviewed the requests and recommendations provided to the customer.

Commissioner Gordon reported that:

- The April Energy Northwest Board meeting will include voting for the open Executive Board positions and noted how he plans to vote. Commissioners Torres and Wright concurred with his voting recommendations.
- He attended the APPA Legislative Rally and WPUDA meetings held in Washington D.C. and reviewed meetings held with legislators and subjects addressed during those meetings.

**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 February 10, 2026 Regular Commission Meeting.
- 2) To approve payment of expenditures for February 2026 amounting to \$12,708,041.76 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:

<b>Expenditure Type:</b>	<b>Amounts:</b>
Direct Deposit Payroll – Columbia Bank	\$ 553,240.18
Wire Transfers	10,024,045.25
Automated and Refund Vouchers (Checks)	1,030,361.03
Direct Deposits (EFTs)	1,100,395.30
Voids	(0.00)
<b>Total:</b>	<b>\$12,708,041.76</b>

- 3) To approve the Write Offs in substantially the amount listed on the March 2026 Write Off Report totaling \$3,129.64.

**AGENDA ITEM 7, REVIEWING THE DISTRICT'S INDUSTRIAL SERVICE RATE SCHEDULES**

Ms. Fulton gave a presentation on Industrial Service Rate Schedules and Managing Load Growth. Her presentation included a review of industrial rate history, the District's top 10 customers, new large load process, and next steps.

A brief discussion was held on data centers and BPA's role in the new large load process.

**AGENDA ITEM 8, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE AMENDMENT NO. 1 TO THE THIRD AMENDED AND RESTATED RESOURCE MANAGEMENT AGREEMENT BETWEEN THE ENERGY AUTHORITY, INC. AND PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN COUNTY, WASHINGTON (THE DISTRICT)**

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 services and value The Energy Authority (TEA) provides to the District.

Motion by Commissioner Wright, seconded by Commissioner Torres authorizing the General Manager/CEO or his designee to execute Amendment No. 1 to the Third Amendment and Restated Resource Management Agreement between The Energy Authority, Inc. and Public Utility District No. 1 of Franklin County.

MOTION PASSED UNANIMOUSLY.

**AGENDA ITEM 9, PRESENTING AN UPDATE ON THE DISTRICT'S ELECTRIC SYSTEM PLAN**

Mr. Hay introduced the agenda item and gave a presentation on the District's Electric System Plan (ESP). His presentation included a review on projects, capital expenditures, system historical loading and loading by station, and system reliability.

Discussions throughout the presentation were held regarding system maintenance and upgrades, load transfers, outages, and staffing within the Engineering department.

Mr. Hay reported that the District's electric system is well maintained and in good condition. Consultants are available to staff while recruitment continues for open engineering department positions.

**AGENDA ITEM 10, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF THREE PHASE TRANSFORMERS**

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

Motion by Commissioner Wright, seconded by Commissioner Torres authorizing the General Manager/CEO or his designee to execute a contract with WEG Transformers USA, the lowest responsive bidder, for the purchase of three phase transformers for a total not to exceed

amount of \$553,254.

MOTION PASSED UNANIMOUSLY.

**AGENDA ITEM 11, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF VOLTAGE REGULATORS**

Mr. Hay 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 regarding pricing.

Motion by Commissioner Wright, seconded by Commissioner Torres finding the bids submitted by Border States/Siemens, Border States/TSEA and General Pacific/Siemens non-responsive and authorize the General Manager/CEO or his designee to execute a contract with WESCO/Anixter/Cooper, the lowest responsive bidder, for the purchase of voltage regulators for a total not to exceed amount of \$546,204.

MOTION PASSED UNANIMOUSLY.

**AGENDA ITEM 12, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO APPROVE THE UTILIZATION OF THE WASHINGTON STATE DEPARTMENT OF ENTERPRISE SERVICES CONTRACT 00819 TO EXECUTE A CONTRACT WITH WEX BANK FOR VEHICLE FUEL**

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 the District solicited bids for a new vehicle fuel contract that resulted in no responses, and recommended the Commission approve the utilization of the Washington State Department of Enterprise Services contract.

A brief discussion was held regarding current fuel pricing and the District's process when bids are non-responsive.

Motion by Commissioner Torres, seconded by Commissioner Wright authorizing the General Manager/CEO or his designee to approve the utilization of the Washington State DES Contract 00819 to execute a contract with WEX Bank for Vehicle Fuel, for a total not to exceed amount of \$180,220.

MOTION PASSED UNANIMOUSLY.

**AGENDA ITEM 13, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE AN INTERLOCAL COOPERATIVE AGREEMENT BETWEEN THE DISTRICT, BENTON CONSERVATION DISTRICT, FRANKLIN CONSERVATION DISTRICT, CITY OF RICHLAND, BENTON PUD, ENERGY NORTHWEST, KENNEWICK SCHOOL DISTRICT, AND ESD 123, TO HOLD THE TRI-CITIES FOUNDATION FOR WATER & ENERGY EDUCATION (FWEE) SCIENCE TECHNOLOGY, ENGINEERING AND MATHEMATICS (STEM) CAREER ACADEMY**

Ms. Viera introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. She reported that the Tri-Cities FWEE and STEM Career Academy is scheduled for June 22-25, 2026, and staff will return to

the July 2026 Commission meeting with an update.

A brief discussion was held regarding student and alumni surveys.

Motion by Commissioner Torres, seconded by Commissioner Wright authorizing the General Manager/CEO or his designee to execute the interlocal agreement between the District, Benton Conservation District, Franklin Conservation District, City of Richland, Benton PUD, Energy Northwest, Kennewick School District, and ESD 123, to hold the FWEE STEM Career Academy.

**MOTION PASSED UNANIMOUSLY.**

Ms. Viera noted that staff are evaluating whether the interlocal agreement can be extended from an annual term to a five-year agreement.

## **MANAGEMENT REPORTS**

### **GENERAL MANAGER/CEO**

Mr. Fuentes reported that:

- He attended the APPA Legislative Rally and WPUDA meetings held in Washington D.C. and reviewed legislative meetings he attended which were scheduled by WPUDA staff.
- He and Mr. Whitney provided a brief update on Energy Northwest's Ruby Flats project.
- For the APPA National Conference Business meeting, the Commission concurred with staff's recommendation to designate Mr. Fuentes as the primary voting delegate and Commissioner Gordon as alternate.
- Staff continue to review the BPA Rate Case and will return to future Commission meetings as information becomes available.
- He is hosting an All-PUD General Managers meeting at the District on March 25, 2026.

### **FINANCE & CUSTOMER SERVICE DIRECTOR**

Ms. Fulton reported that:

- The January and February KPIs were included in the commission packet and reviewed pertinent slides from within the report
- Commissioners should have received an email from the State of Washington Department of Retirement Systems (DRS), and a brief discussion was held regarding the audit they are performing, which includes a review of their forms and documentation.
- She provided an update on the net metering rate, which went into effect July 1, 2025. Since implementation, 44 customers have transitioned to the new rate; 21 being new installations and 23 being due to customer moves. No customer feedback has been received.
- She provided an update on the Battery Storage Systems (BESS) project, noting that negotiations with Ameresco are ongoing. Staff plan to return to a future Commission

meeting with a contract once more information on the BPA interconnection bypass agreement is received. A brief discussion was held.

- Staff performed an invoice audit on a line item from the February 2026 Direct Deposits Register included in the commission packet.

Commissioner Wright requested staff complete an audit on City utility taxes and provide an update at a future Commission meeting.

At 10:42 a.m., Commissioner Gordon called for a recess and reconvened the regular meeting at 10:48 a.m.

### **ENGINEERING & OPERATIONS DIRECTOR**

Mr. Hay reported that:

- He reviewed the January and February KPIs for Operations and Engineering which were included in the commission packet.
- He continued his fuel audit and a brief discussion was held on mileage and fuel efficiency.

### **ASSISTANT GENERAL MANAGER**

Mr. Ferraro reported that:

- Carpet replacement in the administration offices is underway due to portions of the existing carpet not working well. The project is anticipated to be completed in May.
- An offer has been extended to a candidate for the open Distribution Designer position.
- Applications are currently under review for the open Electrical System Engineer position.
- Biometric screening kits are available for pickup through Human Resources.
- A representative from Mission Square Retirement will be onsite April 13 and 16, 2026 for employees and commissioners who would like to schedule time to meet.
- Union contract negotiations will be reviewed following today's Commission meeting during Closed Session.
- Staff met with Mr. MacHugh following the February Commission meeting and provided an update from the meeting, as well as the Fiber-to-the-Home project. Staff will return to a future Commission meeting with an agenda related to the inspection process for this project.
- A brief update was provided on the administration offices power upgrade project, which is expected to be completed by the end of May 2026.
- For his audit, he reviewed the District's copper lines and reviewed the audit process with the Commission.

A brief discussion was held on the number of completed drops from the Fiber-to-the-Home project.

Commissioner Wright requested more information regarding a recent iFiber outage which lasted approximately 24 hours. A brief discussion was held on the transition of the broadband system operations with NoaNet.

#### **PUBLIC INFORMATION OFFICER**

Ms. Viera reported that:

- Testimony was provided to the Northwest Power and Conservation Council regarding the draft 2026 Columbia River Basin Fish and Wildlife Program during a February 17, 2026 public hearing held in Seattle, WA. She reviewed the number of testimonies provided. The District signed a joint letter with Northwest RiverPartners addressing comments on the program and also submitted a separate District letter to the Council.
- She attended a recent NWPPA Government Relations Committee meeting and reviewed topics discussed.
- Engineering staff will be presenting at Delta High School this Friday and plan to distribute information to students about careers available in the public power industry. She noted that the District will offer job shadow opportunities.
- A scheduled outage is planned for Thursday, March 26<sup>th</sup>, affecting approximately 350 customers between 10:00 p.m. and 4:00 a.m. Customer notifications have been completed via email and phone.
- As part of the District's operating plan, staff are focusing on building relationships and noted the District has gained ownership of the District's Google and Yelp accounts, which allows staff to respond to questions and comments posted.
- She shared a video created as part of the operating plan "A Day in the Life" series, beginning with the Accounting department. The video will be shared on social media and YouTube. A brief discussion was held on future videos and other video and photo ideas the Public Affairs department has.
- For her audit, she reviewed distribution email mailboxes, noting there are 26 distribution mailboxes, and staff worked to ensure those mailboxes are being captured correctly in the Barracuda email system. She noted this was critical to ensure records retention requirements are met.

#### **LEGAL COUNSEL**

Mr. Whitney reported that:

- He facilitated an amendment to the Palouse Power Purchase Agreement related to minimum annual delivery requirement. This amendment did not require the Board of Commissioners approval.

#### **EXECUTIVE ASSISTANT**

Ms. Marshall reported that:

- She will be out of the office next week and to contact Mr. Fuentes if assistance is needed.

Mr. Fuentes held a discussion with the Commission on the Employee Minute agenda item. For the time being, this agenda item will be paused while the Commission and staff think of future ideas for this item.

#### **EXECUTIVE SESSION**

At 11:23 a.m., Commissioner Gordon called for a recess and noted it would be immediately followed by an executive session.

At 11:30 a.m., the Board of Commissioners entered into an executive session to conclude at 11:35 a.m. He reported that the purpose of the executive session was to review the performance of a public employee as allowed per RCW 42.30.110(1)(g).

At 11:35 a.m., Commissioner Gordon ended the executive session and reconvened the regular meeting.

Commissioner Wright reported that he was directed by the Board of Commissioners during the February 10, 2026 Commission meeting to lead the performance review of Mr. Fuentes. Commissioner Wright noted that based on Mr. Fuentes' performance review and his review of the salary ranges for the District and Washington State PUD General Manager's, he is recommending a 3.5% cost of living adjustment as well as an additional 1.5% merit increase; in total recommending a 5% increase effective April 1, 2026.

Motion by Commissioner Wright, seconded by Commissioner Torres adjusting the General Manager/CEO's annualized salary by 5% effective April 1, 2026.  
MOTION PASSED UNANIMOUSLY.


Motion by Commissioner Wright, seconded by Commissioner Torres adopting Resolution No. 1448, Setting Compensation of the General Manager/Chief Executive Officer of the District.  
MOTION PASSED UNANIMOUSLY.

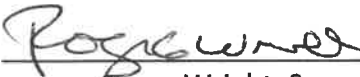
With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 11:40 a.m. The next regular meeting will be April 28, 2026 and begin at 8:30 a.m. The meeting will be at the District's Auditorium located at 1411 W. Clark Street, Pasco, WA. Remote technology options will be provided for members of the public to participate.

**CLOSED SESSION**

The Board of Commissioners entered into a closed session at 11:40 a.m. to discuss collective bargaining matters with staff, as permitted by RCW 42.30.140.

  
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William Gordon, President

  
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Pedro Torres, Jr., Vice President

  
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Roger Wright, Secretary