

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

June 23, 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/87589172343?pwd=3f0p5YZ2O0D15if5WCOmARGBAeBom9.1>

Meeting ID: **875 8917 2343** Passcode: **545472**

- 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) Commissioner Reports
- 4) Consent Agenda
- 5) Opening the Integrated Resource Plan Public Hearing, Presenting the Draft 2026 Integrated Resource Plan, and Recessing the Public Hearing. **Presenter: Katrina Fulton, Finance & Customer Service Director**
- 6) Authorizing the General Manager/CEO or his Designee to Approve Additional Funding for Contract 10291 with Paramount Communications, Inc., for Labor Associated with the Fiber-to-the-Home Project. **Presenter: Mark Hay, Engineering & Operations Director**
- 7) Adopting a Resolution Amending Resolution 1448 to Provide a One-Time Contribution of Personal Leave to the General Manager/CEO. **Presenter: Steve Ferraro, Assistant General Manager**
- 8) Approving the 2026 Organization Representation List. **Presenter: Victor Fuentes, General Manager/CEO**

2026 Board of Commissioners

Bill Gordon, President ~ Pedro Torres, Vice-President ~ Roger Wright, Secretary

- 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
June 23, 2026 | Tuesday | 8:30 A.M.

- 1) To approve the minutes of the May 27, 2026 Regular Commission Meeting.
- 2) To approve payment of expenditures for May 2026 amounting to \$10,862,429.00 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 – Columbia Bank	\$ 591,467.97
Wire Transfers	7,276,028.68
Automated and Refund Vouchers (Checks)	1,202,807.28
Direct Deposits (EFTs)	1,792,267.15
Voids	(142.08)
Total:	\$10,862,429.00

- 3) To approve the Write Offs in substantially the amount listed on the June 2026 Write Off Report including electric accounts in the amount of \$3,936.87 and miscellaneous accounts in the amount of \$13,778.61, for a total write off amount of \$17,715.48.
- 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 \$44,715.95 for work completed by DJ's Electric Inc. under Contract 10115, Miscellaneous Dock Crew Projects Year 3.
- 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 \$12,214.43 for work completed by Schlecht & Sons Inc. under Contract 10663, Mesa Cabinet Electrical Work.

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

MINUTES OF THE MAY 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 May 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, Legal Counsel; Jessica Marshall, Executive Assistant; Jim Zacha, Lineman Foreman; and additional employees who attended for the employee recognition portion of the meeting.

Those who participated from the Public via remote technology or in person for all or part of the meeting were Mr. Isaac Kastama, Principal Lobbyist and Adan Espino, Jr., Associate Lobbyist with Water Street Public Affairs; Ariane Schmidt, Executive Director with Broadlinc; and Tim Nies, District customer.

OPENING

Commissioner Gordon called the meeting to order at 8:30 a.m. and the pledge of allegiance was recited.

Commissioner Gordon informed the Commission that Agenda Item 10 would be addressed when Ms. Schmidt is able to join the meeting via remote technology. Fellow Commissioners concurred with adjusting the meeting agenda accordingly.

PUBLIC COMMENT

Commissioner Gordon called for public comment and no public comment was provided.

EMPLOYEE RECOGNITION, 35 YEARS OF SERVICE

Mr. Fuentes welcomed Mr. Zacha and congratulated him on his 35 years of service and his upcoming retirement with the District. Staff spoke about his service and expressed their appreciation for his contributions to the District.

The Commission congratulated Mr. Zacha on his service anniversary and thanked him for his

time with the District.

At 8:36 a.m., Commissioner Gordon called for a recess and reconvened the regular meeting at 8:43 a.m.

2026 LEGISLATIVE UPDATE AND 2027 PREVIEW

Commissioner Gordon welcomed Mr. Kastama and Mr. Espino.

Mr. Kastama and Mr. Espino provided a 2026 Legislative Update and 2027 Preview presentation, which included a summary of the 2026 legislative session, notable bills considered, and information on the upcoming session. Questions and discussion occurred throughout the presentation.

The Commission thanked Mr. Kastama and Mr. Espino for attending the Commission meeting. Mr. Kastama and Mr. Espino left the Commission meeting.

COMMISSIONER REPORTS

Commissioner Wright reported that:

- He attended the NoaNet Board meeting along with Mr. Fuentes and Mr. Hooper.
- He attended the NWPPA Annual Conference and reviewed highlights from the conference, including Mr. Fuentes' presentation provided during one of the sessions.
- Energy Northwest held a Participants Review Board (PRB) meeting during the NWPPA Annual meeting, and he noted that he was elected to serve a three-year term with the PRB.

Commissioner Torres reported that:

- He attended the WPUDA Annual Conference and NWPPA Annual Conference.

Commissioner Gordon reported that:

- He attended the NWPPA Annual Conference and reviewed takeaways from the conference.

CONSENT AGENDA

Mr. Fuentes reviewed and responded to questions posed by the Commission regarding the Write-Off Report.

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

MOTION PASSED UNANIMOUSLY.

- 1) To approve the minutes of the April 28, 2026 Regular Commission Meeting.

- 2) To approve payment of expenditures for April 2026 amounting to \$10,936,039.13 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 – Columbia Bank	\$ 812,766.55
Wire Transfers	7,156,811.48
Automated and Refund Vouchers (Checks)	1,562,864.55
Direct Deposits (EFTs)	1,408,797.28
Voids	(5,200.73)
Total:	\$10,936,039.13

- 3) To approve the Write Offs in substantially the amount listed on the May 2026 Write Off Report totaling \$5,203.90.

AGENDA ITEM 7, ADOPTING A RESOLUTION FINDING DISTRICT PROPERTY SURPLUS AND AUTHORIZING THE DISPOSAL OF THE SURPLUS PROPERTY

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 adopting Resolution 1452 as presented.

MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 8, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF BITTERN CONDUCTOR

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 Torres, seconded by Commissioner Wright authorizing the General Manager/CEO or his designee to execute a contract with American Wire Group, the lowest responsive bidder, for the purchase of 1272 ACSR 45/7 Bittern Conductor, for a total not to exceed amount of \$190,950.

MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 9, ADOPTING A RESOLUTION ESTABLISHING THE OBSERVANCE OF VETERANS DAY AS A PAID HOLIDAY FOR ELIGIBLE EMPLOYEES OF THE DISTRICT AND SUPERSEDING RESOLUTION 1358

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

Motion by Commissioner Torres, seconded by Commissioner Wright adopting Resolution 1453 as presented.

MOTION PASSED UNANIMOUSLY.

At 9:50 a.m., Commissioner Gordon called for a recess and reconvened the regular meeting at 9:53 a.m.

MANAGEMENT REPORTS

GENERAL MANAGER/CEO

Mr. Fuentes reported that:

- He attended the NWPPA Annual Conference and reviewed highlights from various sessions and meetings.
- Negotiations with NoaNet staff on the Network Coordinated Services Agreement between the District and NoaNet are ongoing. Staff will return to a future Commission meeting with a recommendation for consideration.
- The Port of Pasco, in partnership with the District and Big Bend Electric Cooperative, is proposing a joint meeting with staff and elected officials. The meeting is planned for September 24, 2026, to be held at the Port of Pasco and would include lunch and a tour. Staff will hold the date on calendars, and Special Meeting notice requirements will be made in advance.
- Staff discussed the employee-minute portion of the Commission meetings. He recommended implementing a quarterly employee spotlight, allowing for one or more employees to attend and present updates on District projects. The first employee spotlight is planned for the July Commission meeting and will feature presentations by the interns. Commissioners concurred with this recommendation.

FINANCE & CUSTOMER SERVICE DIRECTOR

Ms. Fulton reported that:

- The April KPIs were included in the commission packet, and she reviewed pertinent slides from within the report.
- Staff and Commissioner Gordon attended the Washington State Auditor's office Energy Entrance Conference for three EIA audits currently underway.
- She attended the Labor Relations Institute through the Association of Washington Cities, as well as the NWPPA Annual Conference.
- Staff are working through the BPA Transmission Service 2027 process.
- A Public Hearing for the District's draft 2026 Integrated Resource Plan (IRP) will be held during the June 23, 2026 Commission meeting.
- For her audit, she continued the internal audit on taxable fringe benefits. Staff have implemented a process to monitor criteria for eligible employees. During the April Commission meeting, the Commission directed staff to review any potential financial impact on affected staff and return with a recommendation to a future Commission

meeting, if needed. Ms. Fulton noted that Mr. Fuentes was adversely impacted and recommended that he receive a one-time contribution of eight hours of personal leave. The Commission concurred with staff's recommendation and requested that a resolution be brought forward for consideration at a future Commission meeting.

Ms. Schmidt joined the Commission Meeting at 9:55 a.m., and Commissioner Gordon called for Agenda Item 10.

AGENDA ITEM 10, BROADLINC INTRODUCTION AND DISCUSSION

Commissioner Wright welcomed Ms. Schmidt.

Ms. Schmidt provided an overview presentation of Broadlinc, including information on the BEAD project and USDA Community connect award.

The Commission thanked Ms. Schmidt for attending the meeting. Ms. Schmidt left the Commission meeting.

At 10:52 a.m., Commissioner Gordon called for a recess and reconvened the regular meeting at 10:57 a.m.

MANAGEMENT REPORTS CONTINUED

ENGINEERING & OPERATIONS DIRECTOR

Mr. Hay reported that:

- He reviewed the April KPIs for Operations and Engineering, which were included in the Commission packet. A brief discussion was held regarding outages caused by vehicles hitting utility infrastructure.
- The Engineering Summer Intern began his internship with the District.
- He continues to monitor the District's fuel costs.
- CT Meter audits are ongoing, and a brief discussion was held on the process.

ASSISTANT GENERAL MANAGER

Mr. Ferraro reported that:

- He reviewed broadband outages that occurred last month.
- The power upgrade project is delayed due to equipment shipping issues, and he will continue to keep the Commission updated on this project.
- The contract with NoaNet for the Fiber-to-the-Home inspection services is in place, and an update was given on the project timeline. Staff will continue to keep the Commission updated.
- Fire extinguisher training was conducted last month at the Operations building.
- The District's safety luncheon will be held on July 8, 2026 at 11:00 a.m.
- The carpet upgrade project in the Administration building is nearing completion and Mr. Ferraro thanked the facilities staff for their work on this project.

PUBLIC INFORMATION OFFICER

Ms. Viera reported that:

- She plans to bring an agenda item to a future Commission meeting for an Interlocal Agreement between the District and the Franklin Conservation District for Salmon Power Education Program Services.
- Staff provided a tabletop safety demonstration at the Pasco Mid-Columbia Library, with both adults and children in attendance. The District also plans to participate in the Summer Reading Challenge Finisher Party.
- She attended the Pasco Chamber of Commerce board meeting and reviewed updates from the meeting.
- The “Today I learned Series” social media campaign was launched as part of National Electrical Safety Month, and the videos can be found on the District’s social media platforms. Six videos were shared during the Commission meeting.
- She continues to meet with Pasco School District staff to explore collaboration and potential classroom engagement opportunities to engage students in careers available within the electric industry.
- For her audit, staff reviewed the District’s website to ensure compliance with updated regulations for the Title II of the Americans with Disabilities Act (ADA). Staff will continue to monitor and make updates as needed.

EXECUTIVE SESSION

At 11:15 a.m., Commissioner Gordon called for a recess and noted it would be immediately followed by an executive session.

At 11:20 a.m., the Board of Commissioners entered into an executive session to conclude at 11:30 a.m. He reported that the purpose of the executive session was to consider the minimum price at which real estate will be offered for sale or lease as allowed per were RCW 42.30.110(1)(c).

At 11:30 a.m., Commissioner Gordon ended the executive session and reconvened the regular meeting.

Mr. Fuentes introduced Resolution 1454, Reaffirming District Property Surplus and Authorizing the Disposal of Surplus Property, Revising the Minimum Purchase Price for the Sale of Surplus Property, and Superseding Resolution 1429.

Staff recommended the Commission revise the minimum purchase price for the sale of the surplus property to \$700,000. A brief discussion was held on the draft resolution presented as well as market value and the original purchase price of the property.

Motion by Commissioner Wright, seconded by Commissioner Torres Adopting Resolution 1454, Reaffirming District Property Surplus and Authorizing the Disposal of Surplus Property,

Revising the Minimum Purchase Price for the Sale of Surplus Property to \$700,000, and
Superseding Resolution 1429.
MOTION PASSED UNANIMOUSLY.

With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 10:57 a.m. The next regular meeting will be June 23, 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.

William Gordon, President

Pedro Torres, Jr., Vice President

Roger Wright, Secretary

Accounts Payable

Check Register - Wires

05/01/2026 To 05/31/2026

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1	3247	05/01/2026	WIRE	100464	WA STATE DEPT OF RETIREMENT SYSTEMS	PERS PLAN 2	45,009.18
2	3262	05/13/2026	WIRE	112776	MORGAN STANLEY CAPITAL GROUP	POWER SWAP	187,556.80
3	3263	05/13/2026	WIRE	112793	CITIGROUP ENERGY INC	POWER SWAP	521,656.21
4	3265	05/14/2026	WIRE	100285	WA STATE SUPPORT REGISTRY	SUPPORT PAYMENT	362.00
5	3266	05/14/2026	WIRE	113257	EFTPS - PAYROLL TAXES	FEDERAL INCOME TAX	110,281.80
6	3267	05/14/2026	WIRE	114437	OREGON DEPARTMENT OF REVENUE	OREGON WORKERS BENEFIT FUND ASSESS - ER	1,029.00
7	3261	05/18/2026	WIRE	112689	BONNEVILLE POWER ADMINISTRATION	EIM SERVICES BILL	28,817.25
8	3260	05/19/2026	WIRE	112715	POWEREX CORP	POWER SUPPLY CONTRACT	197,854.54
9	3268	05/20/2026	WIRE	100464	WA STATE DEPT OF RETIREMENT SYSTEMS	PERS PLAN 2	47,486.19
10	3259	05/21/2026	WIRE	109978	WA STATE DEPT OF REVENUE	APRIL 2026 EXCISE TAX	313,912.50
11	3272	05/21/2026	WIRE	101756	SNOHOMISH COUNTY PUD	WHEAT FIELD WIND POWER CONTRACT	1,708,236.15
12	3258	05/27/2026	WIRE	112689	BONNEVILLE POWER ADMINISTRATION	POWER BILL	3,217,347.00
13	3269	05/28/2026	WIRE	112709	LL&P WIND ENERGY INC	WHITE CREEK WIND	196,560.24
14	3270	05/28/2026	WIRE	112689	BONNEVILLE POWER ADMINISTRATION	TRANSMISSION BILL	569,772.00
15	3277	05/28/2026	WIRE	100285	WA STATE SUPPORT REGISTRY	SUPPORT PAYMENT	362.00
16	3278	05/28/2026	WIRE	113257	EFTPS - PAYROLL TAXES	FEDERAL INCOME TAX	128,758.11
17	3279	05/28/2026	WIRE	114437	OREGON DEPARTMENT OF REVENUE	OREGON WORKERS BENEFIT FUND ASSESS - ER	1,027.71
Total for Bank Account - 3 :							<u>7,276,028.68</u>
Grand Total :							<u>7,276,028.68</u>

Accounts Payable

Checks and Customer Refunds

05/01/2026 To 05/31/2026

Bank Account: 1 - ZBA - WARRANT ACCOUNT							
#	Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1	51326	05/07/2026	CHK	100171	BASIN DISPOSAL INC	UTILITY SERVICES	2,413.47
2	51327	05/07/2026	CHK	104565	BIG BEND ELECTRIC COOPERATIVE INC	UTILITY SERVICES	167.06
3	51328	05/07/2026	CHK	114515	BOWMAN CONSULTING GROUP LTD	PROFESSIONAL SERVICES	1,162.50
4	51329	05/07/2026	CHK	113216	BOYD'S TREE SERVICE	TREE TRIMMING	29,998.70
5	51330	05/07/2026	CHK	100515	CED	WAREHOUSE MATERIALS & SUPPLIES	2,349.94
6	51331	05/07/2026	CHK	100354	CITY OF CONNELL	UTILITY SERVICES	82.55
7	51332	05/07/2026	CHK	113655	CLEAN CONCEPTS GROUP INC	EQUIPMENT MAINTENANCE	1,026.60
8	51333	05/07/2026	CHK	113784	COFFMAN ENGINEERS INC	PROFESSIONAL SERVICES	6,900.00
9	51334	05/07/2026	CHK	114144	COGENT COMMUNICATIONS INC	BROADBAND SERVICES	3,399.93
10	51335	05/07/2026	CHK	113363	COLEMAN OIL COMPANY	GAS & OTHER FUELS	14,607.20
11	51336	05/07/2026	CHK	100346	CONNELL OIL INC	GAS & OTHER FUELS	1,900.60
12	51337	05/07/2026	CHK	100198	FEDERATED RURAL ELECTRIC INSURANCE CORP	ANNUAL INSURANCE PREMIUM	443,832.00
13	51338	05/07/2026	CHK	100407	INLAND PORTS & NAVIGATION GROUP	DUES & MEMBERSHIP	11,000.00
14	51339	05/07/2026	CHK	113721	KENNEWICK INDUSTRIAL & ELECTRICAL SUPPLY	GROUPS MAINTENANCE & SUPPLIES	59.22
15	51340	05/07/2026	CHK	114080	LOOMIS ARMORED US LLC	ARMORED CAR SERVICE	1,014.99
16	51341	05/07/2026	CHK	113908	MILNE ENTERPRISES INC	OPERATING TOOLS	50.01
17	51342	05/07/2026	CHK	100424	PASCO CHAMBER OF COMMERCE	REGISTRATION	34.85
18	51343	05/07/2026	CHK	114648	PRAIRIE ELECTRIC INC	PROJECT WORK	1,111.22
19	51344	05/07/2026	CHK	100411	RANCH & HOME INC	OPERATING SUPPLIES	57.71
20	51345	05/07/2026	CHK	114641	SECOND HARVEST INLAND NORTHWEST	ENERGY SERVICES	8,522.85
21	51346	05/07/2026	CHK	114071	STUART C IRBY CO.	WAREHOUSE MATERIALS & SUPPLIES	4,175.38
22	51347	05/07/2026	CHK	113221	THE SHERWIN-WILLIAMS CO	BUILDING MAINTENANCE & SUPPLIES	243.78
23	51348	05/07/2026	CHK	109927	VESTIS SERVICES LLC	MATS AND COVERALLS	87.35
24	51349	05/07/2026	CHK	113626	WATER STREET PUBLIC AFFAIRS LLC	CONSULTING SERVICES	3,500.00
25	51350	05/14/2026	CHK	100129	APOLLO SHEET METAL INC	HVAC MAINTENANCE	345.16
26	51351	05/14/2026	CHK	114254	BORDER STATES INDUSTRIES INC	WAREHOUSE MATERIALS & SUPPLIES	4,259.15
27	51352	05/14/2026	CHK	114511	CASADAY BEE-LINE SERVICE & TOWING LLC	VEHICLE MAINTENANCE & REPAIRS	156.73
28	51353	05/14/2026	CHK	112903	CITY OF RICHLAND	UTILITY SERVICES	30.49
29	51354	05/14/2026	CHK	110413	COMPUNET INC	SOFTWARE MAINTENANCE	361.96
30	51355	05/14/2026	CHK	100520	CONSTRUCTION AHEAD INC	PROFESSIONAL SERVICES	821.37
31	51356	05/14/2026	CHK	114077	EMPIRE INNOVATION GROUP LLC	FLEX PLAN	1,622.40
32	51357	05/14/2026	CHK	114007	GRIGG ENTERPRISES INC	BUILDING MAINTENANCE & SUPPLIES	65.51
33	51358	05/14/2026	CHK	113115	KIMBALL MIDWEST	OPERATING SUPPLIES	554.61
34	51359	05/14/2026	CHK	113908	MILNE ENTERPRISES INC	BUILDING MAINTENANCE & SUPPLIES	60.93
35	51360	05/14/2026	CHK	113879	MUSTANG SIGNS LLC	BUILDING MAINTENANCE & REPAIRS	890.80
36	51361	05/14/2026	CHK	100452	ORKIN EXTERMINATING INC	PEST CONTROL	2,544.98
37	51362	05/14/2026	CHK	100394	OXARC INC	NITROGEN & OTHER GASES	151.59
38	51363	05/14/2026	CHK	107520	RAILROAD MANAGEMENT COMPANY	POWER CROSSING PERMIT	917.52
39	51364	05/14/2026	CHK	114632	SCHLECHT & SONS INC	PROJECT WORK	12,214.43
40	51365	05/14/2026	CHK	114071	STUART C IRBY CO.	WAREHOUSE MATERIALS & SUPPLIES	6,152.85
41	51366	05/14/2026	CHK	114099	U.S. PAYMENTS LLC	KIOSK TRANSACTIONS AND FEES	598.53
42	51367	05/14/2026	CHK	109927	VESTIS SERVICES LLC	MATS AND COVERALLS	635.73
43	51368	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	92.29
44	51369	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	418.12

Accounts Payable

Checks and Customer Refunds

05/01/2026 To 05/31/2026

Bank Account: 1 - ZBA - WARRANT ACCOUNT							
#	Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
45	51370	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	117.11
46	51371	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	298.66
47	51372	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	28.62
48	51373	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	434.21
49	51374	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	10.99
50	51375	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	64.21
51	51376	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	180.23
52	51377	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	238.27
53	51378	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	293.27
54	51379	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	163.77
55	51380	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	85.90
56	51381	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	376.90
57	51382	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	43.32
58	51383	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	329.78
59	51384	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	199.33
60	51385	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	182.11
61	51386	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	12.63
62	51387	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	128.66
63	51388	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	8.34
64	51389	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	246.32
65	51390	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	29.69
66	51391	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	750.05
67	51392	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	98.46
68	51393	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	576.57
69	51394	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	140.13
70	51395	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	74.50
71	51396	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	116.13
72	51397	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	10.73
73	51398	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	114.79
74	51399	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	65.39
75	51400	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	39.29
76	51401	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	386.59
77	51402	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	84.90
78	51403	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	52.11
79	51404	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	107.52
80	51405	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	127.02
81	51406	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	129.51
82	51407	05/14/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	383.92
83	51408	05/21/2026	CHK	113774	3AC ENGINEERING PC	PROFESSIONAL SERVICES	1,890.00
84	51409	05/21/2026	CHK	100028	ABADAN	PRINTER MAINTENANCE	850.03
85	51410	05/21/2026	CHK	113773	ACE SALES & SERVICE INC	PORTABLE TOILET RENTAL	278.00
86	51411	05/21/2026	CHK	113892	AHBL INC	PROFESSIONAL SERVICES	1,600.00
87	51412	05/21/2026	CHK	100129	APOLLO SHEET METAL INC	HVAC MAINTENANCE	400.55
88	51413	05/21/2026	CHK	100179	BENTON FRANKLIN CAC	HELPING HANDS	844.10

Accounts Payable

Checks and Customer Refunds

05/01/2026 To 05/31/2026

Bank Account: 1 - ZBA - WARRANT ACCOUNT							
#	Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
89	51414	05/21/2026	CHK	114254	BORDER STATES INDUSTRIES INC	WAREHOUSE MATERIALS & SUPPLIES	34.71
90	51415	05/21/2026	CHK	113216	BOYD'S TREE SERVICE	TREE TRIMMING	7,770.83
91	51416	05/21/2026	CHK	100515	CED	WAREHOUSE MATERIALS & SUPPLIES	1,776.43
92	51417	05/21/2026	CHK	114486	CHARTER COMMUNICATIONS HOLDINGS LLC	BROADBAND SERVICES	2,813.70
93	51418	05/21/2026	CHK	100354	CITY OF CONNELL	PROFESSIONAL SERVICES	400.00
94	51419	05/21/2026	CHK	100362	CITY OF PASCO	OCCUPATION/UTILITY	418,678.14
95	51420	05/21/2026	CHK	100360	CITY OF PASCO	UTILITY SERVICES	710.09
96	51421	05/21/2026	CHK	112961	CITY OF RICHLAND	FIBER LEASE	733.73
97	51422	05/21/2026	CHK	114144	COGENT COMMUNICATIONS INC	BROADBAND SERVICES	3,430.56
98	51423	05/21/2026	CHK	100174	COLUMBIA BASIN LLC	DISPOSAL SERVICE	94.49
99	51424	05/21/2026	CHK	110413	COMPUNET INC	SOFTWARE MAINTENANCE	407.39
100	51425	05/21/2026	CHK	113369	CORWIN OF PASCO LLC	AUTO PARTS	887.55
101	51426	05/21/2026	CHK	113364	DAY WIRELESS SYSTEMS	MOBILE WIRELESS SERVICES	1,622.08
102	51427	05/21/2026	CHK	105071	DIRECT AUTOMOTIVE	AUTO PARTS	92.99
103	51428	05/21/2026	CHK	114112	GDS ASSOCIATES INC	CONSULTING SERVICES	352.12
104	51429	05/21/2026	CHK	113706	INTERMOUNTAIN CLEANING SERVICE INC	JANITORIAL SERVICES	4,465.95
105	51430	05/21/2026	CHK	112980	IRRIGATION SPECIALISTS INC	GROUNDS MAINTENANCE & SUPPLIES	23.62
106	51431	05/21/2026	CHK	100006	LOURDES OCCUPATIONAL HEALTH CENTER	PROFESSIONAL SERVICES	71.00
107	51432	05/21/2026	CHK	105560	MARSH,MUNDORF,PRATT,SULLIVAN & MCKENZIE	DUES & MEMBERSHIP	1,538.22
108	51433	05/21/2026	CHK	113908	MILNE ENTERPRISES INC	OPERATING TOOLS	254.74
109	51434	05/21/2026	CHK	113712	NOKIA OF AMERICA CORPORATION	HARDWARE PURCHASE	3,007.82
110	51435	05/21/2026	CHK	100452	ORKIN EXTERMINATING INC	PEST CONTROL	190.07
111	51436	05/21/2026	CHK	100394	OXARC INC	NITROGEN & OTHER GASES	238.04
112	51437	05/21/2026	CHK	100411	RANCH & HOME INC	OPERATING SUPPLIES	10.89
113	51438	05/21/2026	CHK	100411	RANCH & HOME INC	OPERATING SUPPLIES	56.78
114	51439	05/21/2026	CHK	114071	STUART C IRBY CO.	WAREHOUSE MATERIALS & SUPPLIES	12,644.65
115	51440	05/21/2026	CHK	113870	TOTH AND ASSOCIATES INC	PROFESSIONAL SERVICES	16,121.60
116	51441	05/21/2026	CHK	114108	VERIZON CONNECT FLEET USA LLC	FLEET MANAGEMENT SERVICES	1,274.47
117	51442	05/21/2026	CHK	109927	VESTIS SERVICES LLC	MATS AND COVERALLS	332.88
118	51443	05/21/2026	CHK	104105	WATER SOLUTIONS INC	WATER COOLER RENTAL	359.37
119	51444	05/21/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	130.63
120	51445	05/21/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	100.68
121	51446	05/21/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	142.08
122	51447	05/21/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	31.58
123	51448	05/21/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	440.00
124	51449	05/21/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	16.65
125	51450	05/21/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	47.00
126	51451	05/21/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	44.56
127	51452	05/21/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	77.64
128	51453	05/21/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	49.47
129	51454	05/21/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	148.73
130	51455	05/28/2026	CHK	100129	APOLLO SHEET METAL INC	HVAC MAINTENANCE	8,098.16
131	51456	05/28/2026	CHK	114649	AUBLE, JOLICOEUR & GENTRY INC	PROFESSIONAL SERVICES	6,000.00
132	51457	05/28/2026	CHK	114254	BORDER STATES INDUSTRIES INC	WAREHOUSE MATERIALS & SUPPLIES	27,087.77

Accounts Payable

Checks and Customer Refunds

05/01/2026 To 05/31/2026

Bank Account: 1 - ZBA - WARRANT ACCOUNT

#	Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
133	51458	05/28/2026	CHK	113216	BOYD'S TREE SERVICE	TREE TRIMMING	10,872.56
134	51459	05/28/2026	CHK	100360	CITY OF PASCO	UTILITY SERVICES	959.26
135	51460	05/28/2026	CHK	113784	COFFMAN ENGINEERS INC	PROFESSIONAL SERVICES	20,114.97
136	51461	05/28/2026	CHK	113124	D J'S ELECTRICAL INC	DOCK CREW WORK	7,567.90
137	51462	05/28/2026	CHK	105071	DIRECT AUTOMOTIVE	FREIGHT CHARGES	164.89
138	51463	05/28/2026	CHK	114077	EMPIRE INNOVATION GROUP LLC	FLEX PLAN	1,622.40
139	51464	05/28/2026	CHK	103521	GRAYBAR ELECTRIC INC	BROADBAND MATERIALS & SUPPLIES	1,027.04
140	51465	05/28/2026	CHK	114420	HEARTSMART	SAFETY EQUIPMENT & SUPPLIES	1,127.12
141	51466	05/28/2026	CHK	114657	OVERHEAD DOOR CORPORATION	BUILDING MAINTENANCE & REPAIRS	255.92
142	51467	05/28/2026	CHK	112987	PACIFIC STEEL & RECYCLING	OPERATING SUPPLIES	322.24
143	51468	05/28/2026	CHK	111641	PASCO PROCESSING LLC	ENERGY SERVICES	22,800.04
144	51469	05/28/2026	CHK	114642	PEAK POWER LLC	ENERGY SERVICES	10,125.00
145	51470	05/28/2026	CHK	114359	PRO FIRE LLC	ENERGY SERVICES	2,639.00
146	51471	05/28/2026	CHK	100411	RANCH & HOME INC	OPERATING SUPPLIES	174.95
147	51472	05/28/2026	CHK	112920	TACOMA SCREW PRODUCTS INC	OPERATING SUPPLIES	179.02
148	51473	05/28/2026	CHK	113192	TEREX SERVICES	OPERATING SUPPLIES	910.86
149	51474	05/28/2026	CHK	113360	VALLEY TRANSFORMER INC	TRANSFORMER MAINTENANCE & REPAIRS	14,135.22
150	51475	05/28/2026	CHK	111471	VERIZON WIRELESS SERVICES LLC	PHONE SERVICES	104.82
151	51476	05/28/2026	CHK	109927	VESTIS SERVICES LLC	MATS AND COVERALLS	332.88
152	51477	05/28/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	72.79
153	51478	05/28/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	37.29
154	51479	05/28/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	212.85
155	51480	05/28/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	12.66
156	51481	05/28/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	139.15
157	51482	05/28/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	179.10
158	51483	05/28/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	112.07
159	51484	05/28/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	373.57
160	51485	05/28/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	40.48
161	51486	05/28/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	27.90
162	51487	05/28/2026	CHK	90002	CUSTOMER REFUND	CUSTOMER REFUND	167.80
Total for Bank Account - 1 :							1,202,807.28
Grand Total :							1,202,807.28

Accounts Payable

Check Register - Direct Deposit

05/01/2026 To 05/31/2026

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
1	35343	05/07/2026	DD	113886	AMAZON CAPITAL SERVICES INC	BUILDING MAINTENANCE & SUPPLIES	1,165.79
2	35344	05/07/2026	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	43,778.89
3	35345	05/07/2026	DD	100178	BENTON COUNTY PUD	TREE TRIMMING	1,740.10
4	35346	05/07/2026	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	23,794.65
5	35347	05/07/2026	DD	104189	H2 PRE-CAST INC	WAREHOUSE MATERIALS & SUPPLIES	21,671.10
6	35348	05/07/2026	DD	1167	JORDAN KONEN	TRAVEL REIMBURSEMENT	1,021.93
7	35349	05/07/2026	DD	113652	LEAF CAPITAL FUNDING LLC	PRINTER LEASE	267.85
8	35350	05/07/2026	DD	114588	LEVEL UP INSULATION LLC	ENERGY SERVICES	10,086.67
9	35351	05/07/2026	DD	113201	NAPA	AUTO PARTS	911.15
10	35352	05/07/2026	DD	111368	ONLINE INFORMATION SERVICES INC	UTILITY EXCHANGE REPORT	720.97
11	35353	05/07/2026	DD	113294	PARAMOUNT COMMUNICATIONS, INC	FIBER DOCK CREW	6,124.29
12	35354	05/07/2026	DD	114602	SALITRE CONSTRUCTION LLC	ENERGY SERVICES	13,584.19
13	35355	05/07/2026	DD	1032	CHAD W SCHOW	TRAVEL REIMBURSEMENT	1,305.73
14	35356	05/07/2026	DD	1245	PEDRO TORRES	TRAVEL REIMBURSEMENT	836.54
15	35357	05/07/2026	DD	1221	VICTOR FUENTES	TRAVEL REIMBURSEMENT	851.10
16	35358	05/07/2026	DD	1005	ROSARIO VIERA	TRAVEL REIMBURSEMENT	846.04
17	35443	05/14/2026	DD	112724	A W REHN & ASSOCIATES	COBRA NOTIFICATION	150.00
18	35444	05/14/2026	DD	113886	AMAZON CAPITAL SERVICES INC	OPERATING TOOLS	2,179.19
19	35445	05/14/2026	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	58,845.21
20	35446	05/14/2026	DD	1066	D'ANNA M BORCHERS	TRAVEL REIMBURSEMENT	464.59
21	35447	05/14/2026	DD	100644	DELL MARKETING L.P.	HARDWARE PURCHASE	23,022.17
22	35448	05/14/2026	DD	112739	DLT SOLUTIONS LLC	SOFTWARE MAINTENANCE	7,365.08
23	35449	05/14/2026	DD	102842	ENERGY NORTHWEST	NINE CANYON	177,857.31
24	35450	05/14/2026	DD	114579	FULCRUM ELECTRIC LLC	ELECTRICAL BUILDING UPGRADES	293,835.07
25	35451	05/14/2026	DD	1076	KATRINA B FULTON	TRAVEL REIMBURSEMENT	464.59
26	35452	05/14/2026	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	472.63
27	35453	05/14/2026	DD	1092	WILLIAM M GORDON	TRAVEL REIMBURSEMENT	672.45
28	35454	05/14/2026	DD	112981	GREEN ENERGY TODAY LLC	ESQUATZEL DAM PROJECT	52,878.21
29	35455	05/14/2026	DD	113299	HRA VEBA TRUST	VEBA WELLNESS	17,443.62
30	35456	05/14/2026	DD	100245	IBEW LOCAL 77	UNION DUES	5,964.57
31	35457	05/14/2026	DD	1191	BRIAN C JOHNSON	TRAVEL REIMBURSEMENT	757.32
32	35458	05/14/2026	DD	114588	LEVEL UP INSULATION LLC	ENERGY SERVICES	11,651.31
33	35459	05/14/2026	DD	114295	MISSIONSQUARE 107514	DEFERRED COMPENSATION	14,899.35
34	35460	05/14/2026	DD	114294	MISSIONSQUARE 301671	DEFERRED COMPENSATION	23,967.66
35	35461	05/14/2026	DD	113201	NAPA	AUTO PARTS	1,791.70
36	35462	05/14/2026	DD	112792	PASCO TIRE FACTORY INC	VEHICLE TIRES AND REPAIRS	3,557.78
37	35463	05/14/2026	DD	100300	PRINCIPAL BANK PCS	INSURANCE PREMIUM	158,894.07
38	35464	05/14/2026	DD	114312	RELIANCE STANDARD LIFE INSURANCE CO	INSURANCE PREMIUM	5,998.08
39	35465	05/14/2026	DD	114602	SALITRE CONSTRUCTION LLC	ENERGY SERVICES	23,240.13
40	35466	05/14/2026	DD	112707	THE ENERGY AUTHORITY	TEA SCHEDULING & CONSULTING	127,986.46
41	35467	05/14/2026	DD	1245	PEDRO TORRES	TRAVEL REIMBURSEMENT	974.34
42	35468	05/14/2026	DD	113111	TOTAL QUALITY AIR LLC	ENERGY SERVICES	9,000.00

Accounts Payable

Check Register - Direct Deposit

05/01/2026 To 05/31/2026

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
43	35469	05/14/2026	DD	100277	UNITED WAY	UNITED WAY	75.00
44	35470	05/14/2026	DD	1221	VICTOR FUENTES	TRAVEL REIMBURSEMENT	953.34
45	35471	05/14/2026	DD	114204	VITAL RECORDS HOLDINGS LLC	RECORDS STORAGE SERVICES	596.35
46	35472	05/14/2026	DD	114162	ZAYO GROUP HOLDINGS INC	BROADBAND SERVICES	2,780.04
47	35473	05/21/2026	DD	113886	AMAZON CAPITAL SERVICES INC	HARDWARE PURCHASE	53.36
48	35474	05/21/2026	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	142,797.47
49	35475	05/21/2026	DD	112739	DLT SOLUTIONS LLC	SOFTWARE MAINTENANCE	2,861.89
50	35476	05/21/2026	DD	114609	GALLAGHER BENEFIT SERVICES INC	FLEX PLAN	42.00
51	35477	05/21/2026	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	5,349.17
52	35478	05/21/2026	DD	100229	GRAINGER INC	BROADBAND EQUIPMENT & SUPPLIES	15,558.56
53	35479	05/21/2026	DD	100448	LAWSON PRODUCTS INC	OPERATING SUPPLIES	994.21
54	35480	05/21/2026	DD	113652	LEAF CAPITAL FUNDING LLC	PRINTER LEASE	773.19
55	35481	05/21/2026	DD	114588	LEVEL UP INSULATION LLC	ENERGY SERVICES	7,056.83
56	35482	05/21/2026	DD	113201	NAPA	AUTO PARTS	558.28
57	35483	05/21/2026	DD	113269	NISC	MAILING SERVICES & INSERT PRINTING	54,486.36
58	35484	05/21/2026	DD	101318	NORTHWEST OPEN ACCESS NETWORK	FIBER SERVICES	47,139.30
59	35485	05/21/2026	DD	100392	OTIS ELEVATOR CO INC	ELEVATOR MAINTENANCE FEE	1,822.97
60	35486	05/21/2026	DD	112792	PASCO TIRE FACTORY INC	VEHICLE TIRES & REPAIRS	2,501.26
61	35487	05/21/2026	DD	114447	PLUTO ACQUISITION OPCO LLC	NEW HIRE BACKGROUND CHECK	364.70
62	35488	05/21/2026	DD	113445	RELIABLE EQUIPMENT & SERVICE COMPANY, IN	OPERATING TOOLS	349.33
63	35489	05/21/2026	DD	114602	SALITRE CONSTRUCTION LLC	ENERGY SERVICES	29,139.02
64	35490	05/21/2026	DD	113684	SUSTAINABLE LIVING CENTER	LOW INCOME CERTIFICATIONS	375.00
65	35491	05/21/2026	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	402.39
66	35492	05/21/2026	DD	100283	UTILITIES UNDERGROUND LOCATION CENTER	LOCATE SERVICES	491.28
67	35493	05/21/2026	DD	100290	WA PUBLIC UTILITY DISTRICT ASSOC	DUES & MEMBERSHIP	9,999.00
68	35622	05/28/2026	DD	114180	2001 SIXTH LLC	BROADBAND SERVICES	150.00
69	35623	05/28/2026	DD	113380	ANIXTER INC	WAREHOUSE MATERIALS & SUPPLIES	77,322.81
70	35624	05/28/2026	DD	102842	ENERGY NORTHWEST	PACKWOOD	31,865.00
71	35625	05/28/2026	DD	1076	KATRINA B FULTON	TRAVEL REIMBURSEMENT	715.11
72	35626	05/28/2026	DD	100216	GENERAL PACIFIC INC	WAREHOUSE MATERIALS & SUPPLIES	99,467.08
73	35627	05/28/2026	DD	1092	WILLIAM M GORDON	TRAVEL REIMBURSEMENT	1,113.31
74	35628	05/28/2026	DD	113299	HRA VEBE TRUST	VEBA EMPLOYER PAID	10,601.31
75	35629	05/28/2026	DD	113442	ICE TRADE VAULT, LLC	COUNTERPARTY TRADE FEE	375.00
76	35630	05/28/2026	DD	1191	BRIAN C JOHNSON	TRAVEL REIMBURSEMENT	768.09
77	35631	05/28/2026	DD	113261	LANDIS+GYR TECHNOLOGY, INC	SOFTWARE MAINTENANCE	7,069.06
78	35632	05/28/2026	DD	113652	LEAF CAPITAL FUNDING LLC	PRINTER LEASE	962.23
79	35633	05/28/2026	DD	114588	LEVEL UP INSULATION LLC	ENERGY SERVICES	7,563.67
80	35634	05/28/2026	DD	114295	MISSIONSQUARE 107514	DEFERRED COMPENSATION	17,489.70
81	35635	05/28/2026	DD	114294	MISSIONSQUARE 301671	DEFERRED COMPENSATION	26,443.68
82	35636	05/28/2026	DD	100572	MONARCH MACHINE & TOOL INC	TRANSFORMER TRANSPORT	46.28
83	35637	05/28/2026	DD	100130	MOON SECURITY SERVICES INC	SECURITY MAINTENANCE	407.36
84	35638	05/28/2026	DD	113201	NAPA	AUTO PARTS	145.93

Accounts Payable

Check Register - Direct Deposit

05/01/2026 To 05/31/2026

Bank Account: 3 - FPUD REVENUE ACCOUNT

#	Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
85	35639	05/28/2026	DD	113168	PORTLAND GENERAL ELECTRIC COMPANY	COB INTERTIE	12,044.16
86	35640	05/28/2026	DD	114602	SALITRE CONSTRUCTION LLC	ENERGY SERVICES	12,431.59
87	35641	05/28/2026	DD	114471	SIXTY MOUNTAIN PLLC	PROFESSIONAL SERVICES	2,157.58
88	35642	05/28/2026	DD	100291	STATE AUDITOR'S OFFICE	AUDIT SERVICES	437.00
89	35643	05/28/2026	DD	102263	TYNDALE COMPANY INC	FIRE SAFETY CLOTHING	179.68
90	35644	05/28/2026	DD	1221	VICTOR FUENTES	TRAVEL REIMBURSEMENT	1,464.77
91	35645	05/28/2026	DD	111202	WESTERN RENEWABLE ENERGY WREGIS	TRANSFER FEES	56.50
92	35646	05/28/2026	DD	1113	ROGER G WRIGHT	TRAVEL REIMBURSEMENT	430.07
Total for Bank Account - 3 :							<u>1,792,267.15</u>
Grand Total :							1,792,267.15

Franklin PUD - Write Off Report	
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Write Off Report for the Month of: **Jun-26**

Collection Agency: **Armada Corporation**

#	Name	Amount	#	Name	Amount
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[illegible][illegible]

AGENDA ITEM 5

Franklin PUD Commission Meeting Packet

Agenda Item Summary

Presenter: Katrina Fulton

Finance & Customer Service Director

Date: June 23, 2026

☐ REPORTING ONLY

☐ FOR DISCUSSION

☒ ACTION REQUIRED

1. OBJECTIVE:

Opening the Integrated Resource Plan Public Hearing, Presenting the Draft 2026 Integrated Resource Plan Progress Report, and Recessing the Public Hearing.

2. BACKGROUND:

In 2006, the Washington State legislature passed RCW 19.280, which requires that utilities with over 25,000 customers, who are not a load-following customer of the Bonneville Power Administration, develop comprehensive resource plans every four years with a progress update every two years. The District reached the 25,000 customer mark in 2016 and is required to develop a comprehensive Integrated Resource Plan (IRP) and submit it to the Department of Commerce.

The goal of the IRP is to provide a framework for evaluating a wide array of supply resources, conservation, and renewable energy credits and guidance towards strategies that will provide reliable, low-cost electricity to the District's ratepayers at a reasonable level of risk. The District submitted an IRP to the Department of Commerce in 2024. The 2026 IRP Progress Report reviews changing market conditions and planning environments and evaluates how the District is progressing with the IRP action plan.

Staff will review the information from the draft 2026 IRP Progress Report (Attachment A). Public hearings have been scheduled to begin today and July 28, 2026, and the draft 2026 IRP Progress Report has been made available for public comment via the District's website. When the Commission closes the final hearing in July, staff will recommend that the Commission approve the 2026 IRP Progress Report for submittal to the Department of Commerce.

Staff recommends that after hearing any public comment and after review and discussion, the Commission recess the public hearing to the July 28, 2026 regular Commission meeting.

3. SUGGESTED MOTION:

I move to recess the Integrated Public Resource Plan public hearing to the July 28, 2026 regular Commission meeting.



2026 PROGRESS REPORT ON THE 2024 INTEGRATED RESOURCE PLAN

PREPARED IN COLLABORATION WITH



AUGUST 2026
CONFIDENTIAL & PROPRIETARY

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SECTION 1: OVERVIEW

BACKGROUND

Public Utility District No. 1 of Franklin County (Franklin PUD or “the District”) is required by Washington State law, Chapter 19.280 of the Revised Code of Washington (RCW), to develop “a comprehensive resource plan that explains the mix of generation and demand-side resources it plans to use to meet its customers’ electricity needs in both the long term and the short term.” Under this law, Franklin PUD must prepare a comprehensive plan every four years and submit a progress report in the intervening two-year period. The Integrated Resource Plan (IRP) analysis must include a range of load forecasts over a ten-year time horizon; an assessment of feasible conservation and efficiency resources; an assessment of supply-side generation resources; an economic appraisal of renewable and non-renewable resources; a preferred plan for meeting the utility’s requirements; and a formal action plan. The Board adopted Franklin PUD’s 2024 IRP on August 27, 2024.

The 2024 IRP analysis showed that the District’s existing long-term Bonneville Power Administration (BPA) Slice/Block power supply contract and its other owned and contracted resources can provide sufficient energy to meet forecast average annual needs through 2028. However, the 2024 IRP identified an existing and growing capacity deficit that, absent additional resource procurement, expands over the planning horizon due to projected load growth and Western Resource Adequacy Program (WRAP) requirements. The 2024 IRP outlines a strategy to meet the short- and long-term electricity needs of Franklin PUD customers while complying with the Clean Energy Transformation Act (CETA) and Energy Independence Act (EIA). The preferred portfolio identified in the 2024 IRP includes maximizing BPA Tier 1 power, pursuing cost-effective conservation, evaluating utility-scale solar resources, assessing battery storage and other firm capacity resources, considering extensions of existing power purchase agreements (PPAs), and utilizing BPA Tier 2 power, short-term contracts, and market purchases as needed to address projected capacity deficits.

This 2026 Progress Report reviews the changing conditions in the wholesale energy market and planning environment, as well as Franklin PUD’s progress against its strategy and action plan since adoption of the 2024 IRP. This Progress Report is consistent with the State of Washington’s regulatory requirements (RCW 19.280.030).

THE DISTRICT



Franklin PUD provides electric service to approximately 35,000 residential, commercial, industrial, and street lighting customers countywide. The District purchases most of its wholesale power from BPA at cost, through the long-term Slice and Block Power Sales Agreement. Most of the BPA power supply comes from the Federal Columbia River Power System (FCRPS) hydroelectric projects. BPA also markets the output of the Columbia Generating System (nuclear plant) near Richland, WA, and makes miscellaneous energy purchases on the open market.

The District augments its remaining energy and capacity requirements primarily through contracts for portions of the Nine Canyon wind project, and, more recently, the Wheat Field wind project, as well as Packwood Lake and Esquatzel Canal hydroelectric generating facilities and contracted physical firm market capacity. In addition, the District has signed a PPA for offtake from a solar array and is evaluating other solar and battery additions, as well as extensions of existing contracts providing carbon-free power.

2026 PROGRESS REPORT APPROACH

The District performed the following steps in developing this Progress Report:

- Updated the District's load forecast for comparison with the forecast used in the 2024 IRP;
- Updated the market price projection utilizing Energy Exemplar's PLEXOS electric forecasting and analysis software;
- Reviewed supply-side resource cost and performance assumptions, including developments related to resource adequacy requirements under WRAP and compliance obligations under CETA; and
- Assessed the District's progress against items in the 2024 IRP Action Plan.

SECTION 2: CHANGING CONDITIONS

The District's retail load forecast was updated in May 2026 and differs from the base case forecast developed for the 2024 IRP. The 2024 IRP projected average annual growth in energy and peak demand of approximately 1.5% for energy and 1.4% for peak demand over the 2026–2044 planning horizon.

The 2026 Long-Term Load Forecast (LTLF) incorporates updated economic projections, weather-normalized historical data through 2025, revised assumptions for new large commercial and industrial customers, and explicit modeling of electric vehicle (EV) adoption. The updated forecast projects annual growth in energy and peak demand of approximately 1.3% over the same period.

While the projected growth rates are similar to those in the 2024 IRP, the overall level of the energy forecast is approximately 14 percent lower. This difference is primarily driven by revised assumptions regarding new large customer loads that materialized at lower levels than previously projected. Peak demand growth continues to place pressure on system capacity requirements. The District's peak demand remains summer-driven, occurring during June, July, and August due to irrigation-related agricultural load during the warm growing season.

The current load forecast is based on an econometric forecasting methodology that employs historical monthly energy and peak demand data, weather variables, and regional economic drivers to establish the relationship between electricity consumption and economic conditions. An hourly modeling framework is then applied to develop forecasted load shapes for resource adequacy and peak demand analysis.

The revised outlook does not materially change the District's resource adequacy position. Peak demand growth of 1.3% per year, combined with WRAP capacity requirements and the timing of new large load additions, continues to result in an existing and expanding capacity deficit absent additional resource procurement. Accordingly, the updated forecast reinforces the 2024 IRP conclusion that the District must pursue additional firm capacity and energy resources over the planning horizon to maintain reliability and compliance with state and regional requirements.

In addition to changes in load forecasts and resource assumptions, evolving wholesale market structures continue to influence FPUD's planning environment. Day-ahead and real-time market developments in the Western Interconnection are expected to be implemented over the next several years, providing increased opportunities for economic dispatch, improved price transparency, and enhanced access to regional resources. FPUD continues to monitor these developments and evaluate how participation in organized market structures may support system reliability, integration of variable energy resources, and overall cost-effectiveness of its power supply portfolio.

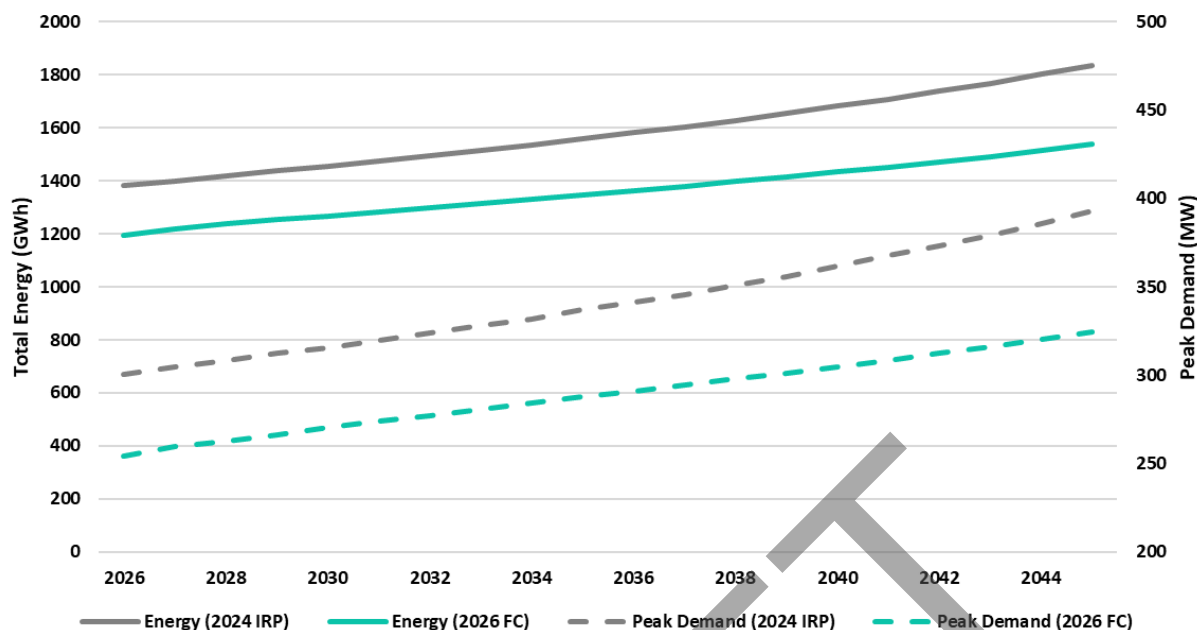


Figure 1. Comparison of Annual Load Forecasts

NATURAL GAS PRICE FORECAST

Commodity costs, supply chain constraints, and inflationary pressures remain important considerations in long-term resource planning. The price forecast for natural gas continues to be a key planning component, as natural gas prices influence wholesale market pricing and the dispatch costs of thermal generation across the Western Electricity Coordinating Council (WECC) region.

The natural gas price forecast used in the 2024 IRP was based on forward market data and long-term fundamental projections available at that time. The Henry Hub forecast has been updated using the NYMEX forward strip as of December 19, 2025 for the period through 2028, with prices thereafter based on S&P Global's most recent short-term and long-term outlooks.

Relative to the assumptions used in the 2024 IRP, the updated forecast reflects broadly comparable near-term pricing but a materially lower long-term price trajectory. The 2024 IRP projected Henry Hub prices rising to \$4.22/MMBtu in 2030 and \$7.45/MMBtu in 2045, whereas the updated forecast projects \$3.20/MMBtu in 2030 and \$5.99/MMBtu in 2045—roughly \$1.00 to \$1.50/MMBtu lower over the long term. Both forecasts are presented in nominal dollars and assume a long-term inflation rate of 2.2 percent; therefore, the difference reflects a change in underlying market fundamentals rather than inflation assumptions.

The revised outlook primarily affects wholesale market price expectations and the evaluation of market purchases and other resource alternatives over the planning horizon. While natural gas prices remain subject to volatility driven by storage levels, weather patterns, global supply-demand conditions, and LNG export activity, the District will continue to monitor forward market conditions and fundamental forecasts as part of its ongoing resource planning process. A comparison of the current Henry Hub projections and those used in the 2024 IRP are shown in the following figure.

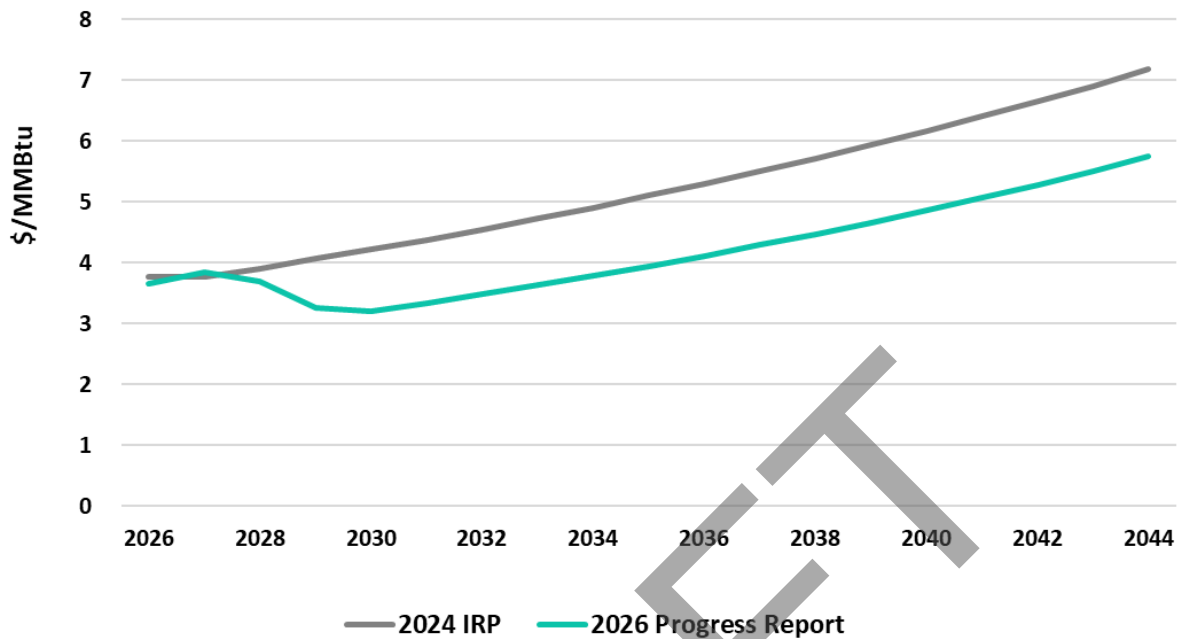


Figure 2. Comparison of Henry Hub Price Projections

MARKET PRICE FORECAST

An updated electricity price simulation was conducted for this Progress Report using Energy Exemplar's PLEXOS market simulation software to model long-term supply and demand fundamentals and produce an updated wholesale power price forecast. PLEXOS simulates the WECC system by modeling resource commitment and dispatch subject to transmission constraints, generator operating characteristics, fuel prices, and regional load growth. The model evaluates system operations over time to produce both production cost outcomes and long-term market price projections.

Key model input updates for the 2026 Progress Report include the revised natural gas price forecast and updated carbon allowance pricing assumptions under Washington's Climate Commitment Act (CCA). Initiative 2117, which would have repealed the CCA, did not pass in the November 2024 election; therefore, the Cap-and-Invest program remains in effect and carbon pricing continues to be incorporated into the market simulation.

Carbon pricing assumptions are based on recent Washington Carbon Allowance market activity and are escalated consistently with WAC 173-446-335, which requires annual increases of 5 percent plus inflation in price floor and ceiling values. From 2027 onward, a unified carbon price trajectory is assumed for Washington and California, reflecting expectations of potential market linkage following Washington's first compliance period. Carbon price assumptions are converted to a \$/MWh adder using an emissions intensity factor for unspecified thermal generation and are incorporated directly into the production cost simulation. Figure 3 below compares the current carbon pricing projection to the projections in 2024 IRP.

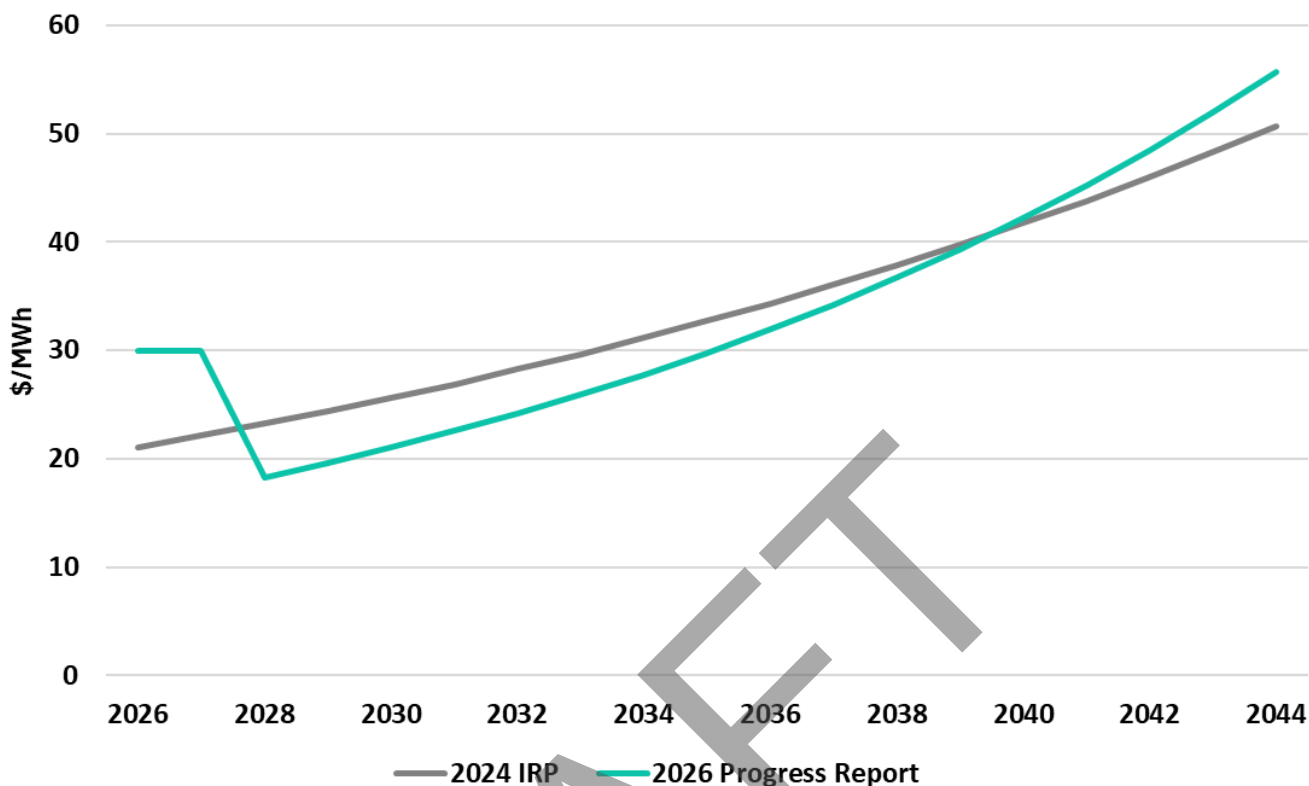


Figure 3. Comparison of Washington Carbon Price Projections

CETA continues to guide long-term resource evaluation. In accordance with CETA requirements, the societal cost of carbon is considered in resource planning and evaluation. However, consistent with standard production cost modeling practice, the social cost of carbon is not applied in real-time dispatch simulations, as it does not represent an actual market transaction cost. Instead, compliance-related carbon allowance prices under the CCA are included in dispatch modeling to reflect expected market behavior.

Together, the updated fuel price outlook and continued carbon pricing framework influence wholesale electricity price projections and the comparative evaluation of resource alternatives over the planning horizon.

The 2024 IRP market price forecast covered the 2025 through 2044 planning period. The updated market price forecast developed for this 2026 Progress Report reflects revised assumptions for natural gas prices, continued carbon pricing under the Climate Commitment Act (CCA), updated load projections, and other market fundamentals.

Compared to the 2024 IRP forecast, projected wholesale market prices are modestly lower in the outer years of the study period, largely reflecting the materially lower long-term Henry Hub price trajectory incorporated into this update. Near-term market prices remain broadly comparable to the 2024 IRP results, while differences become more pronounced beyond 2030 as lower fuel price assumptions moderate marginal production costs for gas-fired generation in the broader WECC region.

Hydroelectric generation continues to be a dominant resource in the Pacific Northwest, and with continued renewable resource development across the region, hydro and zero-marginal-cost renewable

resources frequently set or influence market-clearing prices. As a result, changes in long-term natural gas price assumptions have a more moderate effect on projected wholesale energy prices than might be observed in more thermally dominated regions.

The market price forecast is derived from the short-term forward price curve and a PLEXOS-derived long-term capacity expansion and production cost simulation based on fundamental supply and demand assumptions. As such, it reflects modeled equilibrium market outcomes and does not incorporate forward market risk premiums, short-term scarcity pricing events, or extreme capacity-driven price volatility that may occur in actual traded forward curves. Figure 4 below compares the current annual Mid-C power price forecast with the forecast used in the 2024 IRP.

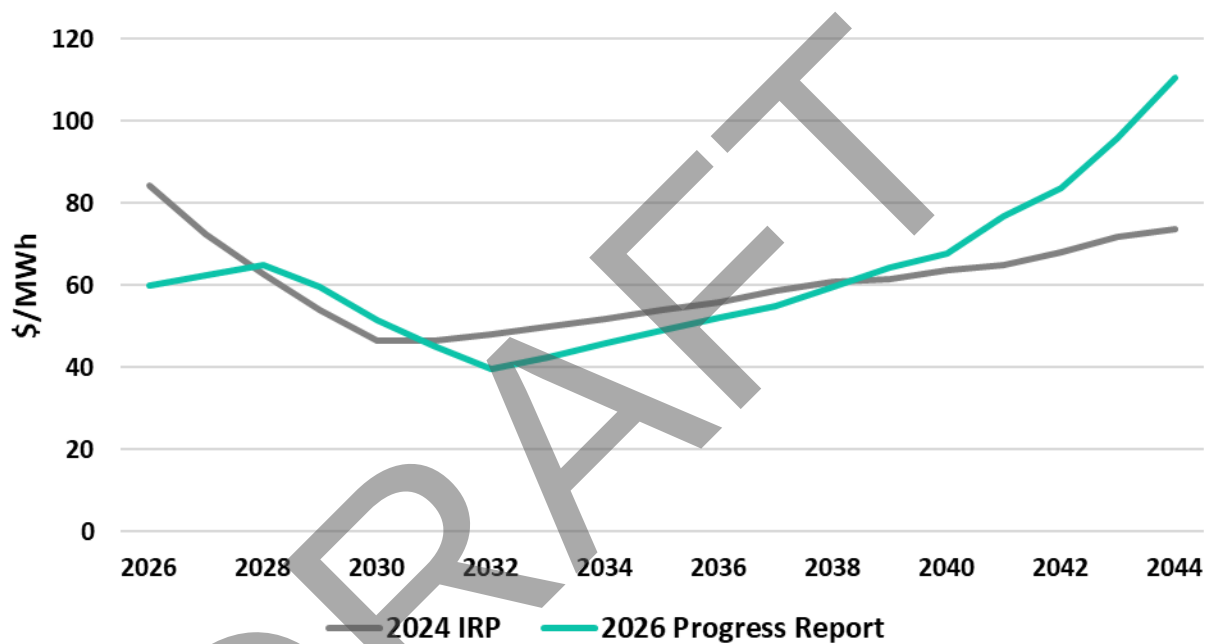


Figure 4. Comparison of Mid-C Annual Electricity Price Forecast

RENEWABLE RESOURCE OPTIONS

The District's 2024 IRP evaluated a broad range of renewable and other carbon-free resource options to meet future energy and capacity needs while complying with CETA. Candidate portfolios included utility-scale solar and wind resources, geothermal resources, battery energy storage systems (BESS), and other non-emitting technologies. Consistent with CETA requirements, the 2024 IRP focused on carbon-free resource alternatives for long-term planning.

Since completion of the 2024 IRP, several developments have affected renewable resource economics. PPA prices for utility-scale solar and wind projects have continued to increase through 2024 and into 2026 reflecting higher financing costs, increased equipment prices, and rising interconnection and transmission upgrade costs. While supply chain disruptions that emerged during the pandemic period have largely stabilized, overall project development costs remain higher than those reflected in earlier IRP analyses.

Federal policy changes have also affected renewable project economics. The One Big Beautiful Bill Act (OBBBA), enacted in 2025, eliminated certain federal tax incentives previously available for wind and solar

development. The removal of these subsidies may increase the effective cost of renewable projects compared to prior assumptions and could influence the pace and economics of future renewable development.

Despite these cost pressures, renewable resources continue to play a central role in long-term utility planning throughout the Pacific Northwest due to state clean energy requirements and decarbonization goals. The District continues to pursue renewable resource opportunities consistent with its resource strategy.

Since completion of the 2024 IRP, the District has taken steps to expand its renewable portfolio, including entering into a seasonal energy arrangement from the Wheat Field Wind project and executing a power purchase agreement for the Palouse Junction Solar project. The District also continues to evaluate additional opportunities, including the Ruby Flats solar project, based on cost-effectiveness, timing, and alignment with system needs.

DISPATCHABLE RESOURCE OPTIONS

The District's 2024 IRP also evaluated dispatchable resource options and their potential role in meeting future energy and capacity requirements. Dispatchable resources can be turned on and off at the direction of the grid operator and can provide reliable capacity during periods of peak demand or reduced renewable generation. While renewable resources are expected to play a growing role in the District's portfolio, dispatchable resources remain important for maintaining system reliability and meeting regional resource adequacy requirements.

The 2024 IRP considered several dispatchable resource alternatives, including reciprocating internal combustion engines (RICE) and natural gas-fired combustion turbines operating in simple or combined cycle configurations. However, Washington's CETA places significant limitations on the long-term use of carbon-emitting generation. While utilities may rely on limited carbon-emitting resources through 2045 using alternative compliance mechanisms, associated emissions must be mitigated, and compliance costs must be considered in resource evaluations.

The District also continues to monitor developments in advanced nuclear technologies, including small modular reactors (SMRs), as well as geothermal resources, both of which could produce carbon-free energy in the future. The District and its customers benefit from the clean and reliable output of the Columbia Generating Station and recognize the potential for next-generation nuclear technologies to contribute to long-term resource needs. While early SMR and advanced geothermal development efforts in the United States have experienced delays and evolving project economics, utilities and developers continue to evaluate these technologies as potential future sources of firm, carbon-free generation.

Since completion of the 2024 IRP, capital and operating costs for dispatchable generation technologies have increased due to inflationary pressures, supply chain constraints, and growing regional demand for firm capacity resources. At the same time, regional resource adequacy requirements under WRAP have increased the importance of firm capacity resources capable of supporting grid reliability during periods of system stress. The District will continue to monitor technological developments, regulatory requirements, and cost trends associated with dispatchable resources as part of future resource planning activities.

ENERGY STORAGE AND DISTRIBUTED ENERGY RESOURCES

Washington State’s transition toward carbon-free electricity under CETA and increasing levels of renewable generation may require utilities to consider expanded use of energy storage and distributed energy resources (DERs) to support grid flexibility and reliability.

Energy storage technologies, particularly lithium-ion battery systems, are increasingly used to help integrate renewable resources into the electric grid. Battery storage can store electricity during periods of lower demand or lower market prices and discharge energy during periods of higher demand or when renewable generation is limited. Since the time of the District’s earlier IRP analyses, battery storage technology has matured significantly and has been deployed at utility scale across the Western Interconnection. As a result, BESS was evaluated as a candidate resource option in the District’s 2024 IRP.

While battery storage costs declined substantially over the past decade, pricing experienced upward pressure beginning in 2021 due to inflation, supply chain constraints, and increased demand for battery materials. More recently, supply chain conditions have improved, and storage deployment continues to expand across the region. Energy storage is increasingly viewed as an important tool for managing peak demand, integrating renewable resources, and supporting system reliability.

Distributed Energy Resources (DERs) include customer- or utility-owned generation or energy technologies located within a utility’s service territory and typically interconnected to the distribution system. Examples include rooftop solar systems, behind-the-meter battery storage, demand response programs, and managed electric vehicle charging. Growth in DER adoption slowed temporarily during the pandemic period but has since resumed as supply chains stabilized and electrification trends accelerated. Continued growth in DERs may influence future load patterns and system planning considerations.

The District continues to evaluate BESS and DER as part of its ongoing resource planning efforts, including consideration of their potential role in meeting peak demand and supporting regional resource adequacy requirements.

TRANSMISSION SERVICE

A reliable and robust transmission network is essential to support the delivery of wholesale power to meet customer demand. BPA continues to plan and operate the regional transmission system to maintain reliability while accommodating expected load growth across the Pacific Northwest. BPA evaluates forecast peak loads together with existing long-term firm transmission service obligations to identify system reinforcement needs and plan transmission upgrades.

The District relies on BPA’s transmission system to deliver power from federal and non-federal resources serving its load. BPA plans the system in accordance with North American Electric Reliability Corporation (NERC) Planning Standards and WECC Regional Criteria to ensure the reliable operation of the bulk power system.

Since completion of the 2024 IRP, regional electricity demand forecasts have continued to increase, and interconnection requests for new generation resources have grown significantly across the Northwest. In addition, BPA has made changes to its transmission planning process through its Grid Access Transformation (GAT) initiative in 2025, which may impact the speed of processing new interconnection requests.

These trends have heightened the importance of transmission planning and system upgrades needed to support future load growth and resource development. BPA continues to evaluate transmission system needs through its ongoing planning processes and regional coordination efforts.

The District will continue to monitor BPA transmission planning activities and potential system upgrades that may affect the delivery of power to its service area as part of its ongoing resource planning process.

OVERSUPPLY MANAGEMENT PROTOCOL

The District operates its electrical distribution system within BPA Balancing Authority Area. As the balancing authority, BPA is responsible for managing the moment-to-moment balance between generation and load to maintain reliable operation of the regional power grid.

During certain periods—typically when river flows are high and regional electricity demand is relatively low—generation from the Federal Columbia River Power System and other resources may exceed regional load. BPA manages these overgeneration conditions through its Oversupply Management Protocol (OMP). Under this protocol, BPA may reduce or displace certain non-hydro generation resources to maintain system reliability and meet operational requirements of the hydroelectric system.

Because the District receives most of its wholesale power supply through BPA, it is subject to BPA's Oversupply Management Protocol and associated costs that are incorporated into BPA's power rates. The District will continue to monitor BPA operational policies and regional market developments that may affect oversupply management and wholesale power costs.

BPA POST-2028 POWER SALES AGREEMENT

Since completion of the 2024 IRP, the District has selected its power supply contract structure with BPA for the period beginning October 1, 2028. BPA's current Regional Dialogue power sales agreements expire on September 30, 2028, and BPA has developed successor power sales agreements under its Provider of Choice framework for the next contract period.

The District has elected to receive power from BPA under the Block with Shaping + Peak Load Variance Service (PLVS) product structure. This product provides a fixed block of energy supplemented by BPA shaping services to better align deliveries with the District's load requirements. PLVS is essentially a capacity insurance product that protects the utility from unexpected spikes in peak load beyond what has been planned or purchased. The selection of Block with Shaping supports the District's objective to maintain a stable and flexible power supply while reducing exposure to the variability associated with Slice output.

The District's participation in BPA's post-2028 power sales agreement ensures continued access to cost-based federal hydropower resources while maintaining flexibility to supplement BPA supply with market purchases or other resource options as needed to meet future load growth and resource adequacy requirements.

RESOURCE CHANGES SINCE 2024 IRP

Since completion of the 2024 IRP, the District has advanced several resource initiatives consistent with its strategy of maintaining a flexible and cost-effective portfolio.

In 2025, the District secured a share of energy from the Wheat Field Wind project located near Arlington, Oregon. Under a seasonal arrangement, the District will utilize the project's output during the summer months (May through October).

This arrangement allows the District to align renewable energy supply with its seasonal load requirements while avoiding the cost of procuring energy during periods when it is not needed. In addition to supporting energy needs, the resource contributes toward compliance with renewable energy requirements under the Washington Energy Independence Act (I-937).

In addition, the District has executed a power purchase agreement for the Palouse Junction Solar project, a utility-scale solar facility currently under development near Connell in Franklin County. The project is expected to begin delivering energy in 2027 and will provide a local, carbon-free resource that supports compliance with state renewable energy requirement while enhancing portfolio diversity.

The District continues to evaluate other potential resource additions, including Ruby Flats solar project, BESS, BPA Tier 2 purchases, and extensions of existing power purchase agreements.

RESOURCE ADEQUACY

Customer demand for electricity is inherently variable due to fluctuations in weather conditions, economic activity, and other factors. To ensure reliable service, utilities maintain sufficient generating capability and market access to meet forecast peak demand plus a planning reserve margin. The District evaluates resource adequacy as part of its integrated resource planning process to ensure that sufficient capacity is available to meet customer demand under a range of operating conditions.

Ensuring adequate generating capability has become increasingly important as the Western electricity system undergoes significant changes in its resource mix. Growing electricity demand, increasing reliance on variable renewable generation, and the retirement of some conventional generating resources have heightened regional focus on resource adequacy planning.

In response to these challenges, members of the Western Power Pool (WPP) developed WRAP, a regional program designed to ensure sufficient resources are available to meet peak demand across the Western Interconnection. WRAP establishes common planning standards and seasonal resource adequacy requirements for participating utilities.

Franklin PUD participates in WRAP through its partnership with The Energy Authority (TEA). In this arrangement, TEA serves as the Load Responsible Entity (LRE) and aggregates the loads and resources of other participating utilities.

Through WRAP participation, the District submits data on forecast loads and available resources and participates in seasonal resource adequacy demonstrations. Participation in WRAP provides valuable insights into regional reliability conditions and helps inform the District's ongoing planning and evaluation of future resource needs.

The District's 2024 IRP incorporated WRAP planning requirements in evaluating future resource needs. That analysis identified potential seasonal capacity shortfalls over the planning horizon if additional resources are not secured. Since that time, the District has elected to participate in WRAP's binding program through TEA as its Load Responsible Entity (LRE), committing the District to meeting its peak load plus a required reserve margin beginning in the Winter 2027/2028 season. As regional electricity demand

continues to grow and WRAP requirements are fully implemented, maintaining adequate firm capacity will remain an important consideration in the District's resource planning process. The District will continue to evaluate resource options, market opportunities, and demand-side measures to ensure reliable service to its customers while complying with regional adequacy standards.

SECTION 3: PROGRESS REPORT

2024 IRP RESOURCE STRATEGY

Section 2 described several changes in market conditions, regulatory requirements, and regional resource adequacy standards that affect the District's resource planning environment. The District's 2024 Integrated Resource Plan provides the framework for addressing these evolving conditions while ensuring reliable and cost-effective service for customers.

In accordance with Washington State law, the District completed its 2024 Integrated Resource Plan based on a detailed examination of its long-term load forecast, existing supply resources, regional wholesale energy price forecasts, and evolving state and regional policy requirements. The 2024 IRP evaluated the District's load and resource balance over the planning horizon and assessed strategies for meeting future energy and capacity needs while maintaining reliable service and controlling costs for customers.

The 2024 IRP analysis showed that the District's existing long-term BPA Slice/Block power supply contract and its other owned and contracted resources can provide sufficient energy to meet forecast average annual needs through approximately 2028 under expected hydro conditions. Beyond that point, load growth gradually increases the District's exposure to the wholesale electricity market and may require additional resource acquisitions over time.

The 2024 IRP studied the planning horizon through 2044 and showed that under critical or adverse hydro conditions, the District's existing BPA and non-BPA supply resources are expected to provide sufficient energy to remain in load/resource balance on an average annual basis through the near term.

Customer demand for electricity can vary significantly on a seasonal and hourly basis due to weather conditions and other factors. During periods of high customer demand in the winter or summer, the District's load may exceed the capacity of its contracted generating resources. In such cases, the District supplements its supply with short-term purchases from the wholesale electricity market.

The preferred portfolio identified in the 2024 IRP produces the lowest expected cost and risk for the District while maintaining flexibility to respond to changing market conditions. The portfolio maintains BPA power supply as the foundation of the District's resource portfolio while utilizing a combination of renewable resources, conservation, and market purchases to meet future needs. This approach allows the District to target periods of higher risk—such as winter peak demand—while avoiding the carrying costs associated with owning additional generating assets that may only be required during limited periods of the year.

Under this strategy, the District will continue to rely on the wholesale market to meet near-term energy and capacity needs while monitoring opportunities to add cost-effective renewable resources and other supply options as required. Utility-scale solar resources beginning in the mid-2020s (approximately 2026) were identified in the IRP as a potential component of the District's long-term resource portfolio.

The 2024 IRP also incorporated evolving regional resource adequacy requirements through participation in WRAP. As these requirements are implemented, the District will continue to evaluate resource additions, market purchases, and demand-side measures needed to maintain sufficient firm capacity to meet regional planning standards.

For the 2026 Progress Report, Figure 5 illustrates that the District has sufficient resources to meet its projected energy requirements through 2028 and shows the transition to a Block with Shaping + PLVS power sales agreement with BPA beginning in October 2028. Beginning in 2029, following the District's transition to the new BPA power sales agreement, the District is proactively pursuing options to address modest potential energy shortfalls, contract extensions, BPA Tier 2 energy purchases, and other resource additions.

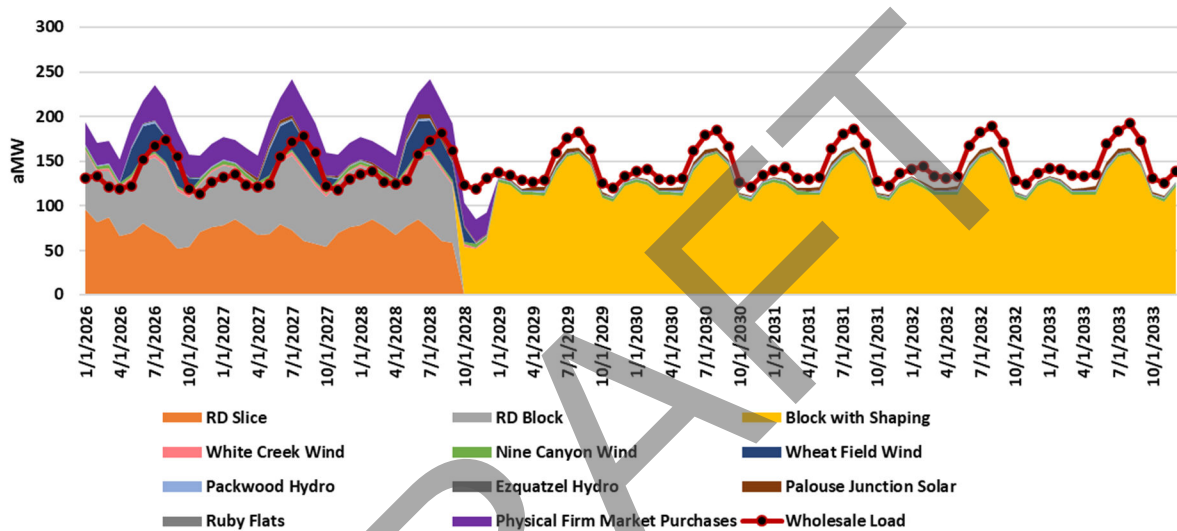


Figure 5. Monthly ATC Energy Load/Resource Balance

RENEWABLE PORTFOLIO STANDARD (RPS), CLEAN ENERGY TRANSFORMATION ACT COMPLIANCE

The District must meet Renewable Portfolio Standard (RPS) obligations under the Washington State Energy Independence Act (I-937) as well as broader clean energy requirements under the Clean Energy Transformation Act (CETA). The District was exempt from RPS requirements until its customer count exceeded 25,000 in 2016. Its first compliance obligation of 3 percent began in 2022, increasing to 9 percent in 2026 and ultimately to 15 percent by 2030. Additional details on CETA requirements are provided in the Additional Regulatory Requirements section, sub-section 3 below.

The 2024 IRP evaluated the District's ability to meet both RPS and CETA requirements based on updated load forecasts, conservation savings, and available renewable and non-emitting resources, including renewable energy credits (RECs).

The District's existing resources and contracted supply provide a substantial portion of RPS and CETA requirements. However, compliance gaps are projected in the planning horizon as load grows and requirements increase. These gaps are expected to be addressed through a combination of additional REC purchases, participation in renewable generation projects, and acquisition of renewable or non-emitting attributes associated with power purchase agreements. The District may also benefit from incremental

renewable output associated with evaluated projects, including utility-scale solar resources, which would further support compliance.

Consistent with the 2024 IRP Action Plan, the District will continue to monitor its RPS and CETA compliance positions and pursue cost-effective options to meet future obligations while maintaining flexibility in its resource portfolio.

ADDITIONAL REGULATORY REQUIREMENTS

1. CLEAN ENERGY TRANSFORMATION ACT (CETA)

In 2019, CETA (RCW 19.405) established a statutory pathway for transitioning Washington's electric supply to carbon-free electricity. CETA also expanded the requirements for electric utility resource planning under RCW 19.280. These requirements include assessments of regional generation and transmission capacity availability, resource adequacy metrics, forecasts of distributed energy resources, evaluations of costs and risks associated with resource choices, and consideration of environmental and public health impacts. CETA also requires utilities to develop a ten-year Clean Energy Action Plan (CEAP) as part of the integrated resource planning process.

The District's 2024 IRP incorporated these requirements and evaluated resource strategies that support compliance with CETA's long-term objectives. Under CETA, utilities must eliminate coal-fired electricity from their portfolios, supply greenhouse gas neutral electricity by 2030, and provide electricity from renewable or non-emitting resources by 2045. CETA also establishes an interim requirement that utilities supply at least 80 percent of their electricity from renewable and non-emitting resources by 2030.

CETA also requires utilities to prepare Clean Energy Implementation Plans (CEIPs) describing interim targets and actions for achieving these policy objectives. The District's first CEIP, covering the 2022 through 2025 compliance period, was filed on January 1, 2022, and indicated that renewable and non-emitting resources were expected to serve approximately 97 percent of the District's annual retail load during that period.

In 2025, the District developed an updated CEIP covering the 2026 through 2029 compliance period. The CEIP establishes interim targets for greenhouse gas neutral electricity by 2030 and clean electricity by 2045, identifies energy efficiency, demand response, and renewable resource targets, and outlines specific actions to achieve those targets. The CEIP is informed by the District's IRP process and reflects the resource strategy identified in the 2024 IRP. The District will continue updating its CEIP in coordination with future IRP cycles.

2. CLIMATE COMMITMENT ACT (CCA)

During the 2021 legislative session, Washington State enacted the Climate Commitment Act (CCA), which established an economy-wide cap-and-invest program to reduce greenhouse gas emissions beginning in 2023. The program sets a declining cap on statewide emissions and requires regulated entities to obtain carbon allowances through state-administered auctions or secondary markets.

The CCA program is now operational, and carbon allowance prices have become an important input to regional electricity market pricing and resource planning analyses. Carbon pricing affects the dispatch cost of carbon-emitting generation and influences wholesale electricity market prices throughout the Western Interconnection, particularly in regions with carbon pricing exposure such as Washington and California.

The 2024 IRP incorporated carbon price assumptions based on Washington Carbon Allowance (WCA) market activity as part of the market price forecast modeling. The District continues to monitor developments in the carbon market and regulatory implementation, as these factors may influence future wholesale market prices and long-term resource planning decisions.

3. FEDERAL ENERGY POLICY DEVELOPMENTS

Recent federal policy changes may influence the cost, availability, and development timelines of renewable energy, energy storage, and other generation resources. Changes to federal tax incentives, domestic content requirements, and supply chain regulations could affect future resource economics and project development throughout the Western Interconnection. FPUD continues to monitor federal policy developments and evaluate potential impacts as part of its ongoing resource planning process.

PROGRESS AGAINST 2024 IRP ACTION ITEMS

The District's 2024 IRP included an action plan addressing both resource acquisitions and power supply related issues. The following summarizes progress to date for each of these action items.

1. Pursue carbon-neutral resources to meet capacity requirements

Consistent with the resource strategy identified in the 2024 IRP, the District continues to evaluate carbon-neutral resources that can contribute toward meeting future capacity needs and regional resource adequacy requirements.

The District currently has several renewable and non-emitting resource contracts in place and is evaluating additional opportunities to support future capacity needs. These include:

Existing Resources:

- Wheat Field Wind, a 97 MW nameplate wind resource placed under contract in 2025 and utilized primarily during the May through October period when seasonal loads are higher.
- Palouse Junction, a 10 MW nameplate solar resource recently placed under contract.
- Packwood Hydroelectric participation, which remains an evergreen resource in the District's portfolio.
- Esquatzel Hydroelectric Project, a 1 MW nameplate hydro resource that remains under contract.
- BPA Tier 1 power supply from the Federal Columbia River Power System.

Existing Resources Under Evaluation (Extension or Expansion):

- Physical firm market capacity, for which the District is evaluating a potential contract extension, including quantity and term.
- Nine Canyon Wind, where the District is evaluating renewal or increase of its current 10 MW share.

Resources Under Evaluation:

- A 25 MW, four-hour BESS, under evaluation following a market-based RFP.
- Ruby Flats, a 33 MW nameplate share of a solar resource under evaluation.
- BPA Tier 2 power, which is being evaluated as part of the District's power supply planning.

2. Maximize the use of BPA Tier 1 power

The District has selected Block with Shaping Capacity + Peak Load Variance Service under BPA's post-2028 Provider of Choice contracts, replacing its prior Slice/Block structure. This selection reflects the District's objective to maximize access to Tier 1 capacity from the Federal Columbia River Power System, maintain flexibility to integrate non-federal resources into its portfolio, and reduce supply variability associated with Slice output.

3. Remain engaged in BPA development of post-2028 products and evaluate the options once defined

The District actively participated in BPA's Provider of Choice development process and regional discussions regarding future BPA power sales products. Through this engagement, the District evaluated available product structures and completed its selection of Block with Shaping Capacity and Peak Load Variance Service product for the post-2028 contract period. With product selection complete, the District is now focused on implementation of the Provider of Choice contracts and integration of the selected BPA product into its long-term resource portfolio.

4. Evaluate resource opportunities including solar, battery storage, BPA Tier 2 capacity, and market-based purchases

Consistent with the 2024 IRP strategy, the District continues to evaluate resource opportunities to support future energy and capacity needs. Current evaluations include solar resources, battery storage systems, potential BPA Tier 2 purchases, and extensions of existing power purchase agreements that may expire during the planning horizon.

These efforts support the District's ongoing resource planning and procurement process.

5. Monitor emerging technologies

The District continues to monitor developments in emerging energy technologies, including geothermal resources, hydrogen production and storage technologies, and small modular nuclear reactors (SMRs). These technologies are evaluated periodically in terms of cost, reliability, and potential commercial availability as part of the District's long-term resource planning process.

6. Acquire all cost-effective conservation measures and monitor demand response and distributed generation opportunities.

The District continues to pursue cost-effective conservation and evaluate demand response opportunities as part of its integrated resource planning activities.

In 2025, the District conducted an updated Conservation Potential Assessment (CPA) to evaluate energy efficiency opportunities within its service territory. In addition, the District completed a Demand Response Potential Assessment (DRPA) in 2025. This assessment evaluated potential demand response programs over a twenty-year horizon using methodologies consistent with those used by the Northwest Power and Conservation Council.

The DRPA serves as a foundational planning tool as demand response programs continue to evolve within the Pacific Northwest public power sector. These assessments help the District identify opportunities to shift demand during peak periods and support regional resource adequacy objectives.

SECTION 4: PROGRESS REPORT CONCLUSIONS

2026 IRP PROGRESS REPORT CONCLUSIONS

The goal of an IRP is to provide a framework for evaluating a wide range of supply resources, conservation measures, and renewable energy options and how they interact with and complement the District's existing power supply portfolio. The result is a preferred strategy and action plan intended to guide the District in managing its resource portfolio over time while maintaining reliable and cost-effective electricity service for its customers at a reasonable level of risk.

The District's 2024 IRP examined the planning horizon through 2030 and was adopted by the District's Board of Commissioners in 2024. The analysis showed that the District's existing long-term BPA power supply contract and its other owned and contracted resources:

1. Provide sufficient energy to meet forecast customer needs on an average annual basis through approximately 2028 under expected hydro conditions.
2. Indicate the need for ongoing monitoring of renewable portfolio standard compliance under the Washington Energy Independence Act (I-937).
3. Indicate the potential for growing seasonal capacity needs during winter and summer periods as regional demand increases and resource adequacy requirements evolve.

The 2024 IRP also identified a strategy for meeting the District's future energy and capacity needs while complying with Washington State energy policies and maintaining portfolio flexibility. The strategy maintains BPA power supply as the foundation of the District's resource portfolio while relying on a combination of renewable resources, conservation, and market purchases to address emerging needs.

This approach allows the District to target resource procurement during periods of highest risk, while avoiding the full carrying costs associated with constructing or acquiring new generating assets that may only be needed during limited periods of the year. The District continues to evaluate renewable resource opportunities, including solar and wind resources, as well as BESS and other carbon-neutral resources that may contribute to meeting future capacity needs.

The District's participation in WRAP and its selection of a post-2028 BPA Provider of Choice contract structure further supports this strategy by ensuring continued access to federal power resources while maintaining flexibility to integrate non-federal resources into the portfolio.

Based on the analysis conducted for this 2026 Progress Report, updated load forecasts, market price projections, regulatory developments, and regional resource adequacy requirements do not materially change the preferred resource strategy identified in the 2024 IRP. The District will continue implementing the IRP action plan while monitoring evolving market conditions, regulatory requirements, and resource opportunities.

PLANNING FOR THE FUTURE

In the 2024 IRP, the District identified its preferred resource portfolio using industry-recognized planning tools and methodologies consistent with current best practices in utility resource planning. As discussed in Section 3, Additional Regulatory Requirements, changes in the regulatory and market environment continue to influence how utilities evaluate long-term resource strategies.

Historically, long-term resource planning relied primarily on forecasts of average monthly customer demand with consideration of typical on- and off-peak load profiles. This approach has been widely used in the Pacific Northwest, where many public power utilities receive most of their electricity supply through long-term contracts with BPA, supplemented by utility-owned or contracted non-federal resources. While BPA's marketing of the Federal Columbia River Power System provides the region with a low-emissions power supply portfolio, recent clean energy and carbon reduction mandates have introduced additional complexities to resource planning.

For electric utilities in Washington State, renewable portfolio standards and clean energy policies established under the Energy Independence Act (I-937) and CETA influence the types of resources that may be used to meet future electricity demand. These policies encourage increased reliance on renewable generation, non-emitting resources, energy storage technologies, conservation, and demand response programs. In addition, the Climate Commitment Act (CCA) establishes a statewide cap-and-invest program designed to reduce greenhouse gas emissions across multiple sectors of the economy. Over time, these policies may increase electrification of transportation, industrial processes, and other energy uses, potentially placing new demands on the electric utility sector.

The District continues to provide most of its power supply through long-term contracts with BPA. These contracts provide an allocation of annual energy at cost based on the District's forecast average energy needs. Because the allocation is based on annual energy requirements, the District may experience periods when its energy portfolio is surplus on an annual basis but deficit during certain months, seasons, or peak demand periods. Understanding these variations is important when evaluating potential new resources.

As a result, modern resource planning increasingly evaluates utility load and resource balance at an hourly level across multiple seasons and years. This approach allows planners to better understand how different resource types interact with the existing portfolio and whether they contribute to meeting periods of peak demand. For example, wind and solar generation vary by hour of the day and season of the year, while energy storage technologies and demand response programs can shift electricity use across different periods of the day.

By analyzing load and resource balance at an hourly level and incorporating probabilistic modeling techniques, utilities can better identify the frequency, duration, and magnitude of potential energy and capacity surpluses or deficits. This approach allows utilities to evaluate candidate resource portfolios more effectively and identify solutions that provide the best combination of reliability, cost control, and risk management across a range of potential future conditions.

ACRONYM REFERENCE TABLE

ACRONYM	DESCRIPTOR
aMW	Average Megawatt
BESS	Battery Energy Storage Systems
BPA	Bonneville Power Administration
CCA	Climate Commitment Act
CEAP	Clean Energy Action Plan
CEIP	Clean Energy Implementation Plan
CETA	Clean Energy Transformation Act
CPA	Conservation Potential Assessment
DER	Distributed Energy Resource
DRPA	Demand Response Potential Assessment
FCRPS	Federal Columbia River Power System
GAT	Grid Access Transformation
I-937	Washington State's Energy Independence Act
IRP	Integrated Resource Plan
LRE	Load Responsible Entity
LTLF	Long-Term Load Forecast
Mid-C	Mid-Columbia
MMBtu	Million British Thermal Unit
MW	Megawatt
NERC	North American Electric Reliability Corporation
NYMEX	New York Mercantile Exchange
OMP	Oversupply Management Protocol
PLVS	Peak Load Variance Service
PNW	Pacific Northwest
PPA	Power Purchase Agreement
PUD	Public Utility District
RCW	Revised Code of Washington
REC	Renewable Energy Credit
RPS	Renewable Portfolio Standard
SMR	Small Modular Reactor
TEA	The Energy Authority
WCA	Washington Carbon Allowance
WECC	Western Electricity Coordinating Council
WPP	Western Power Pool
WRAP	Western Resource Adequacy Program

AGENDA ITEM 6

Franklin PUD Commission Meeting Packet

Agenda Item Summary

Presenter: Mark Hay
Engineering & Operations Director
Date: June 23, 2025

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

1. OBJECTIVE:

Authorizing the General Manager/CEO or his Designee to approve additional funding for Contract 10291 with Paramount Communications, Inc., for labor associated with the Fiber-To-The-Home Project.

2. BACKGROUND:

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

In August 2024, the Commission authorized the General Manager/CEO to execute a contract with Paramount Communications Inc. for the labor and equipment required to construct the fiber infrastructure, in an amount not to exceed \$2,326,289. Subsequent approved change orders totaling \$448,310 increased the contract's not-to-exceed amount to \$2,774,599. The project was completed in May 2026.

During construction, the number of customer drops exceeded the original estimate due to customers changing from opt-out to opt-in, missing addresses from the initial construction map, and additional locations requested by the District. Staff has determined that the District will exceed the authorized contract not-to-exceed amount by \$26,074. In accordance with Policy No. 16, Purchasing Approval and Payment Authority, change orders with an aggregate total over \$100,000 require approval from the Commission. It is also the District's practice to bring all requests for federal and grant funded projects to the Commission for approval.

Staff recommends that the Commission authorize the General Manager/CEO or his designee to approve an additional \$26,074 in funding for Contract 10291 with Paramount Communications, Inc., for labor associated with the Fiber-To-The-Home Project, for a new total not to exceed amount of \$2,800,673.

3. SUGGESTED MOTION:

I move to authorize the General Manager/CEO or his designee to approve an additional \$26,074 in funding for Contract 10291 with Paramount Communications, Inc., for labor associated with the Fiber-To-The-Home Project, for a new total not to exceed amount of \$2,800,673.

AGENDA ITEM 7

Franklin PUD Commission Meeting Packet
Agenda Item Summary

Presenter: Steve Ferraro
Assistant General Manager
Date: June 23, 2026

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

1. OBJECTIVE:

Adopting a Resolution Amending Resolution 1448 to Provide a One-Time Contribution of Personal Leave to the General Manager/Chief Executive Officer.

2. BACKGROUND:

At the April 28, 2026 regular Commission meeting, District staff informed the Commission they had completed an internal audit on taxable fringe benefits and reported on the results. Staff informed the Commission that Mr. Fuentes was adversely impacted for tax year 2024 and would be provided with an amended 2024 W-2. The Commission requested staff return to a future Commission meeting with a recommendation for consideration.

At the May 27, 2026 regular Commission meeting, District staff recommended the Commission provide a one-time contribution of eight (8) hours of personal leave to the General Manager/CEO's compensation, in order to restore Mr. Fuentes' compensation to that established by Resolution 1448. The Commission directed staff to return to a future Commission meeting with a resolution for consideration.

Staff recommends the Commission adopt Resolution 1456 Amending Resolution 1448 to Provide a One-Time Contribution of Eight (8) Personal Leave hours to the General Manager/Chief Executive Officer.

3. SUGGESTED MOTION:

I move to adopt Resolution 1456 as presented.

RESOLUTION 1456

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

**AMENDING RESOLUTION 1448 TO PROVIDE A ONE-TIME CONTRIBUTION OF PERSONAL LEAVE
TO THE GENERAL MANAGER/CHIEF EXECUTIVE OFFICER**

WHEREAS, Public Utility District No. 1 of Franklin County (the “District”) is organized under Title 54 of the Revised Code of Washington, and is required by law to appoint a General Manager and set his compensation; and

WHEREAS, the Board of Commissioners (the “Commission”) of the District adopted Resolution 1434 appointing Victor M. Fuentes (“Mr. Fuentes”) to the position of General Manager/Chief Executive Officer (“CEO”), and setting the General Manager/CEO’s compensation effective June 25, 2025; and

WHEREAS, the Commission subsequently adopted Resolution 1448 on March 24, 2026, amending Resolution 1434 to adjust Mr. Fuentes’ annual salary and maintain a personal vehicle allowance; and

WHEREAS, the Commission was notified during the April 28, 2026, regular meeting, of an internal audit on taxable fringe benefits where Mr. Fuentes was adversely impacted; and

WHEREAS, after review and consideration during the May 27, 2026, regular meeting, the Commission desires to provide a one-time adjustment to the General Manager/CEO’s compensation in the form of a one-time personal leave contribution; now, therefore,

BE IT RESOLVED that, effective June 23, 2026, the General Manager/CEO’s compensation shall be credited with a one-time contribution of eight (8) hours of personal leave.

BE IT FURTHER RESOLED that all other terms, conditions, salary, and benefits established by Resolution 1448 remain unchanged.

BE IT FURTHER RESOLVED that the General Manager/CEO's compensation set by Resolution 1448, adopted March 24, 2026, is hereby amended.

ADOPTED by the Board of Commissioners of Public Utility District No. 1 of Franklin County, at an open public meeting this 23rd day of June, 2026.

William Gordon, President

Pedro Torres, Jr., Vice President

Roger Wright, Secretary

AGENDA ITEM 8

Franklin PUD Commission Meeting Packet
Agenda Item Summary

Presenter: Victor Fuentes
General Manager/CEO
Date: June 23, 2026

☐ REPORTING ONLY
☐ FOR DISCUSSION
☒ ACTION REQUIRED

1. OBJECTIVE:

Approving the 2026 Organization Representation List.

2. BACKGROUND:

On an annual basis, the Commission approves the appointment of Commissioners and staff to represent the District on external organizations' boards and committees. From time to time, the list will be brought forward to review recommended updates. The list was last revised on July 22, 2025 to incorporate the appointment of the General Manager/CEO position and update to the NWPPA representation.

Staff recommends the Commission review and discuss the 2026 Organization Representation List (Attachment A) and recommend the Commission approve the 2026 Organization List as discussed.

3. SUGGESTED MOTION:

I move to approve the 2026 Organization Representation List as discussed.

As approved at the ~~July 22, 2025~~ June 23, 2026 Commission Meeting

2026 Organization Representation List		
Organization	Delegate	Alternate
American Public Power Association (APPA)		
Legislative & Resolutions Committee	B. Gordon	
Policy Makers Council (PMC)	B. Gordon	
National Conference, Business Meeting	<u>V. Fuentes</u>	<u>B. Gordon</u>
Central Washington Public Utilities (CWPU)	V. Fuentes	S. Ferraro
Central Washington Public Utilities Unified Insurance Program (UIP)	S. Ferraro	N. Ransom
Conservation and Renewable Energy Systems (CARES)	K. Fulton	
Energy Northwest (EN)		
Board of Directors <u>(effective July 1, 2026)</u>	B. Gordon <u>R. Wright</u>	R. Wright <u>B. Gordon</u>
Participant's Review Board (PRB)*	R. Wright	P. Torres
Northwest Open Access Network (NoaNet)		
Board Member	R. Wright	B. Hooper
Member Representative	B. Hooper	S. Ferraro <u>M. Hay</u>
Northwest Public Power Association (NWPPA)		
Government Relations Committee	R. Viera	V. Fuentes
<u>Northwest River Partners (NWRP)</u>	<u>R. Viera</u>	<u>V. Fuentes</u>
Pacific Northwest Waterways Association (PNWA)	V. Fuentes	R. Viera
Public Power Council (PPC)*	V. Fuentes	<u>B. Johnson</u>
<u>Pacific Northwest Utilities Conference Committee (PNUCC)*</u>	<u>V. Fuentes</u>	
Tri-City Development Council (TRIDEC)	V. Fuentes	R. Viera
Washington PUD Association (WPUDA)		
Board of Directors	P. Torres	R. Wright
General Managers Committee	V. Fuentes	S. Ferraro
Government Relations	R. Viera	K. Fulton
Communications Committee	R. Viera	K. Fulton
Energy Committee	K. Fulton	P. Torres
Telecommunications Committee	P. Torres	R. Wright
Safety/Risk Managers Committee	S. Ferraro	V. Fuentes

Delegates and alternates are assigned by the Commission.

*Indicates positions that are filled through election by the organization, not assignment.



May 2026

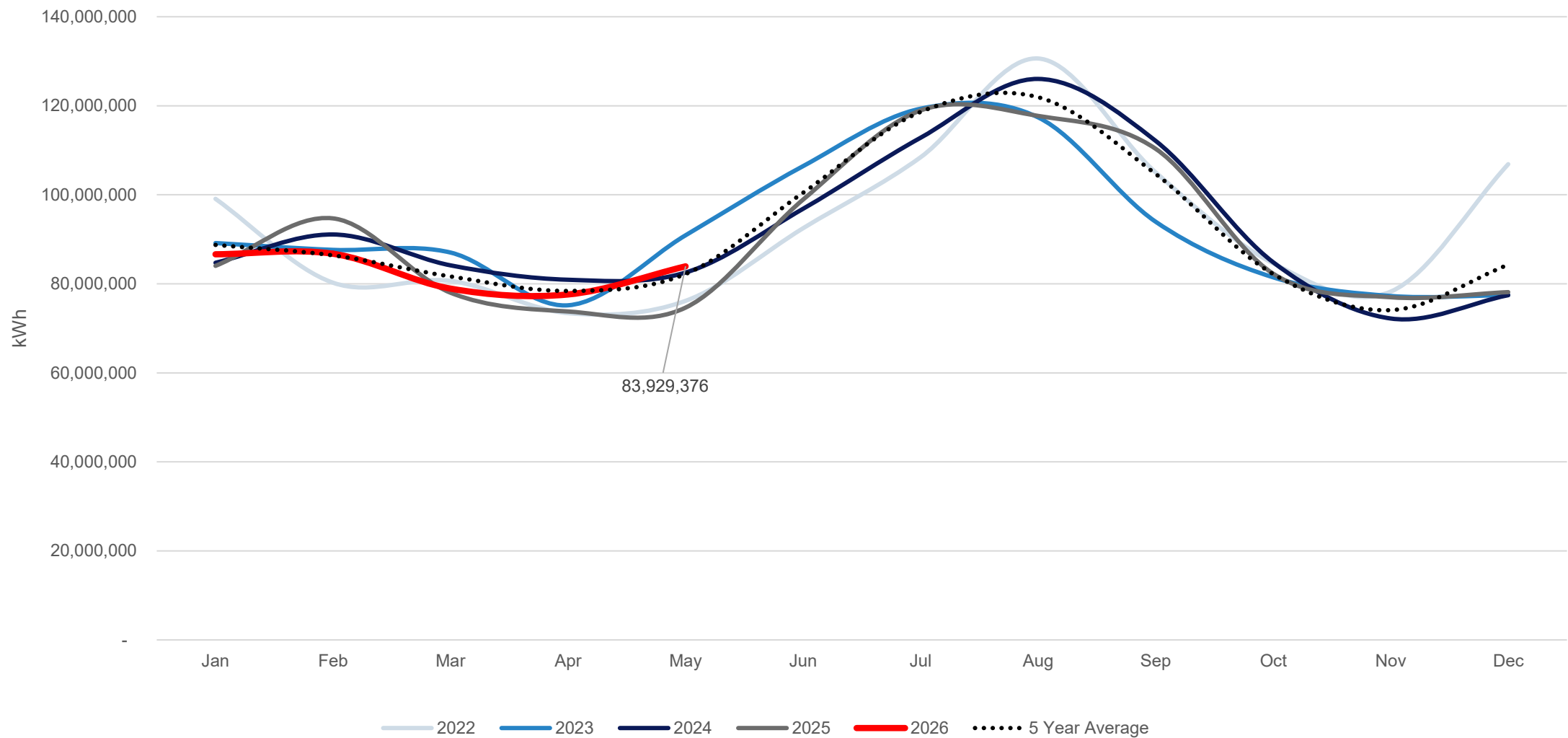
Monthly Key Performance Indicators

EXECUTIVE SUMMARY

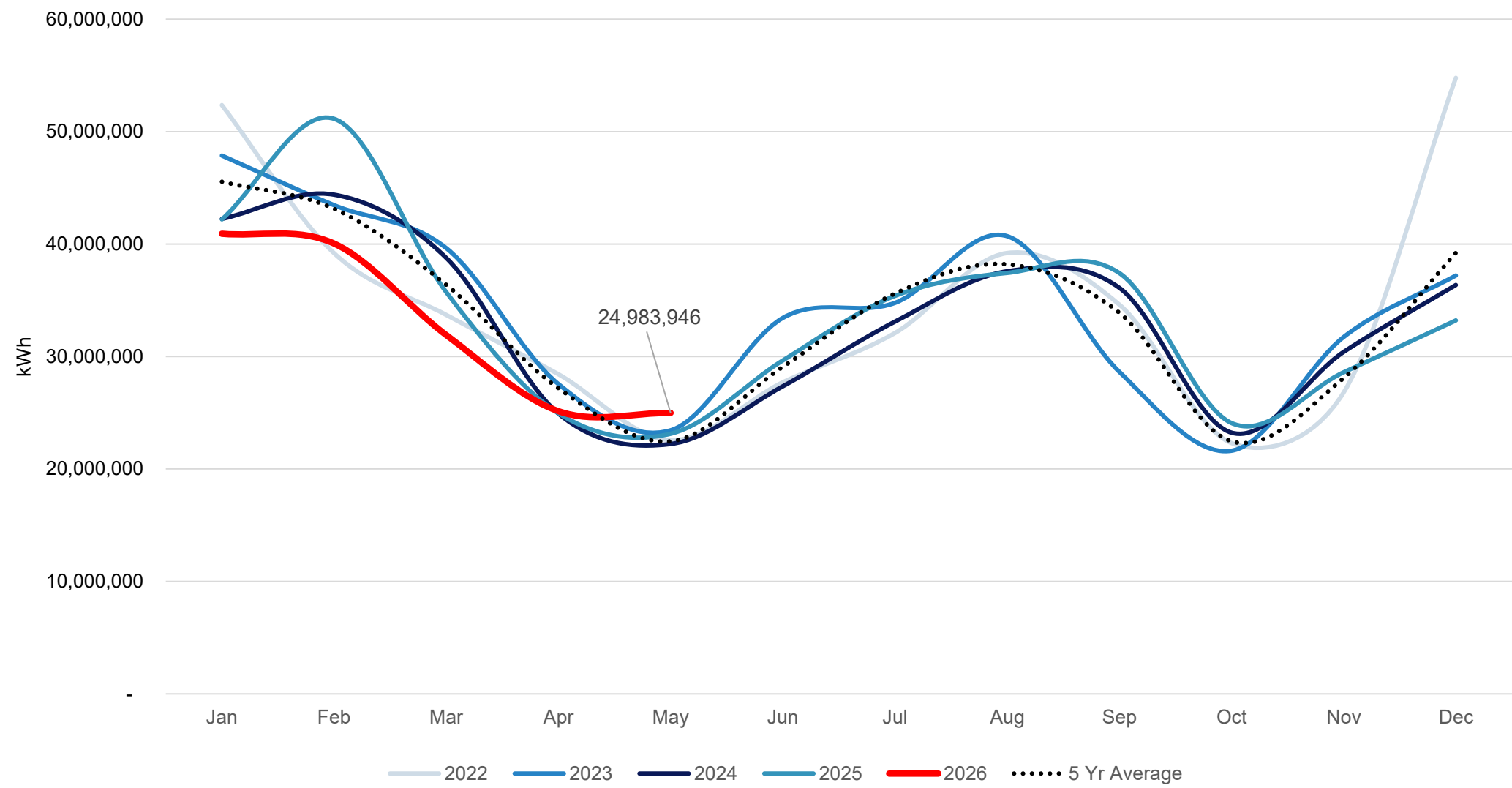
Retail sales were close to budget in May, and both usage and demand exceeded those of May 2025. Spring flows and abundant wind caused downward pressure on real time price settlements. The District was in a long energy position; however, the surplus was sold at very low prices (lowest point was \$1.87).

These conditions pushed down the forward curve (as of 6/9) which moved the year end forecast of 1.58x. However, local heat is expected in the coming weeks, hydro supply is expected to decrement; and staff continues to monitor the impacts of the spill regime and BPA's upcoming rate case. These will impact forward pricing and future forecasts.

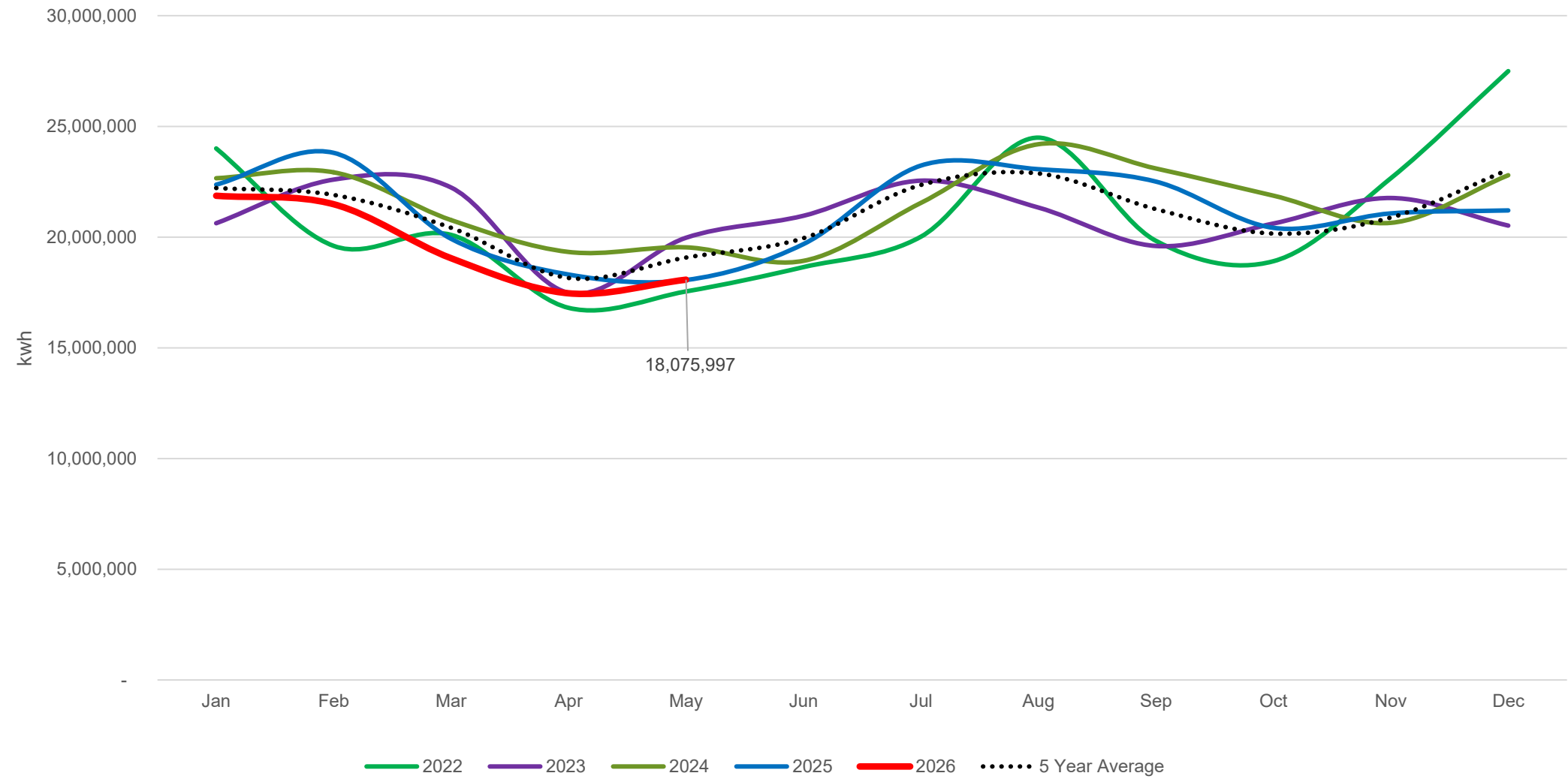
RETAIL LOAD COMPARISON



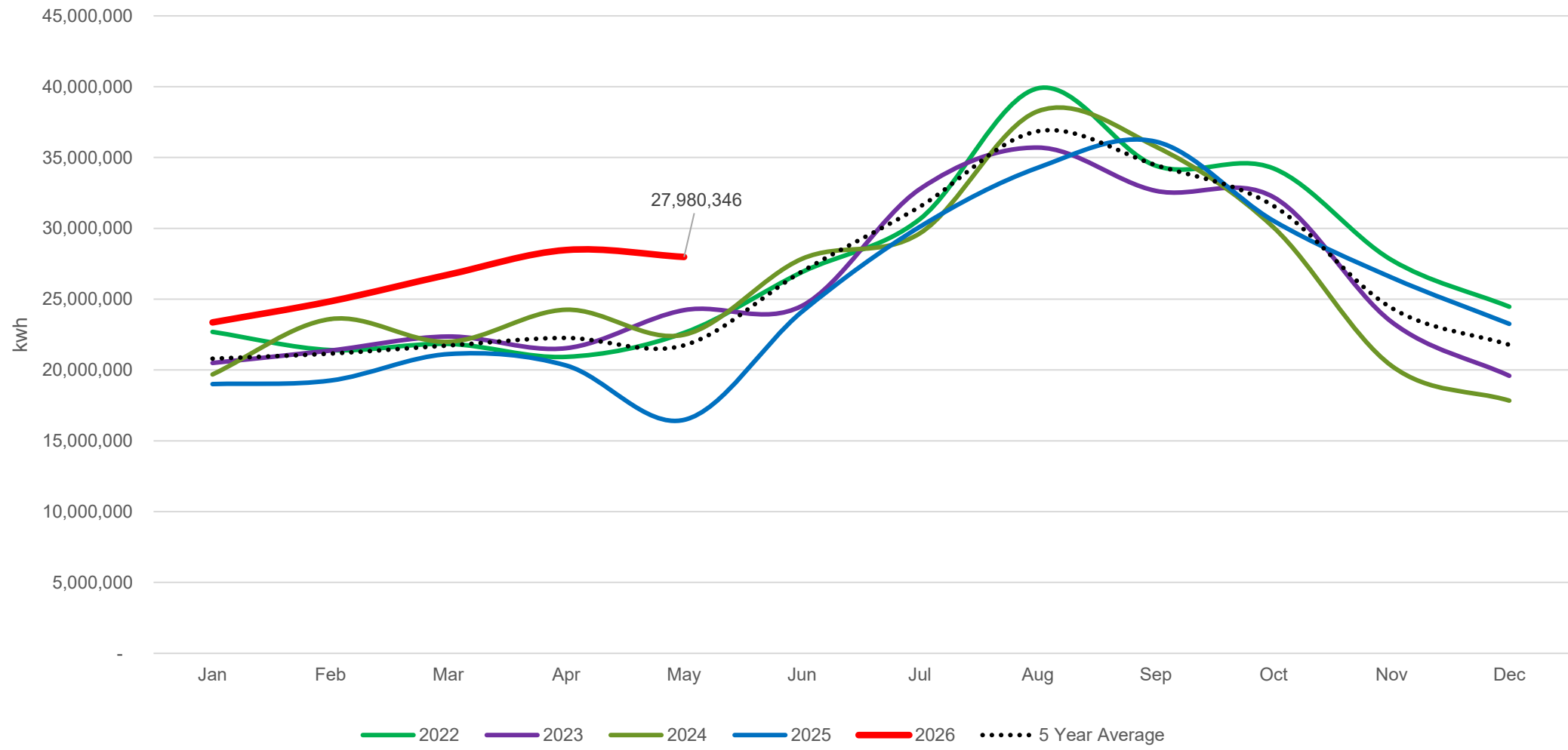
RESIDENTIAL LOADS



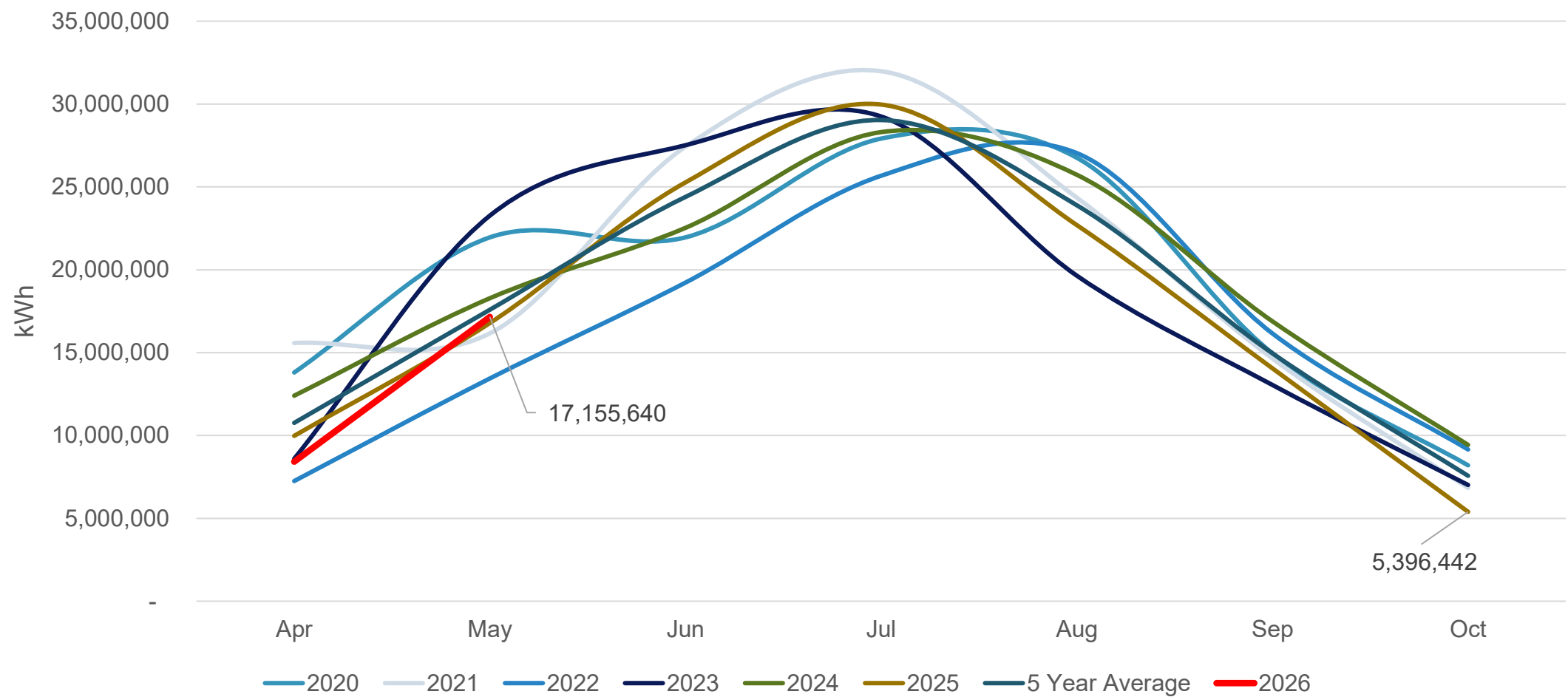
SMALL & MEDIUM GENERAL



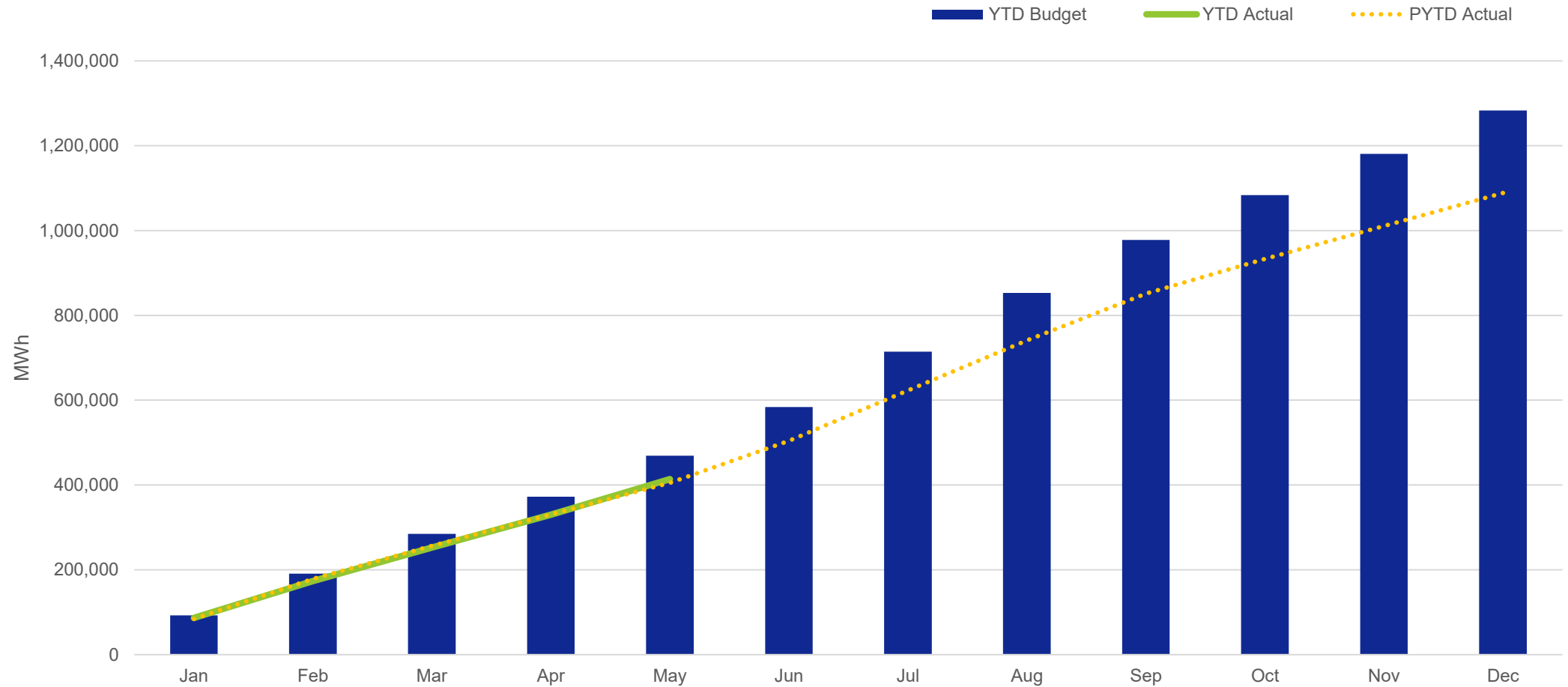
LARGE COMMERCIAL & INDUSTRIAL LOADS



IRRIGATION LOADS



YTD LOADS: BUDGET VS. ACTUAL





POWER



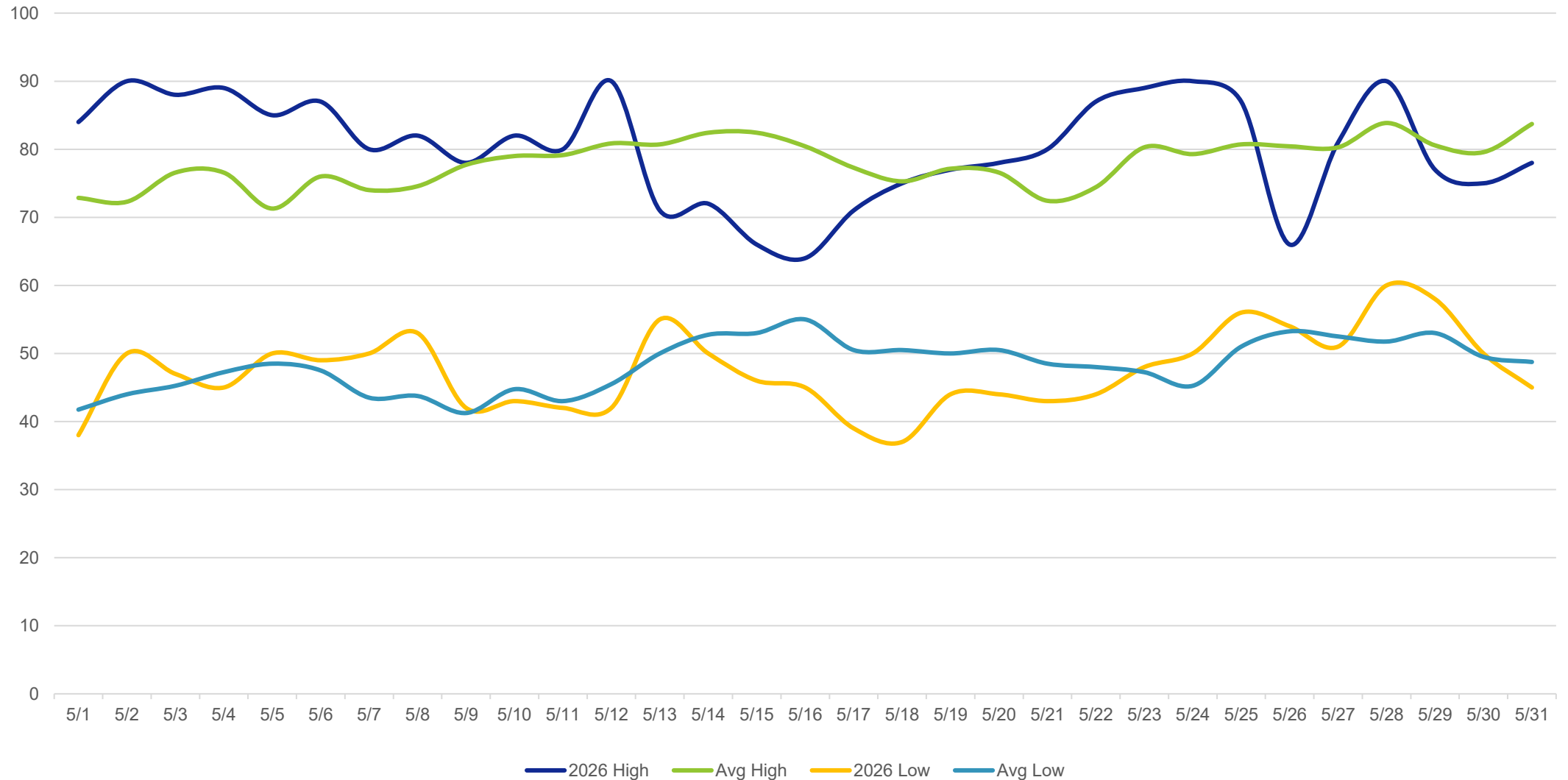
MAY OVERVIEW

May weather was close to average with the exception of five cooler days in the middle of the month. Market prices and the forward curve remained low and steady due to an abundance of wind generation which is typical in May. Average Mid-C prices reached a high of \$35.54 and a low of \$1.87. This low and moderate pricing creates the following cost impacts:

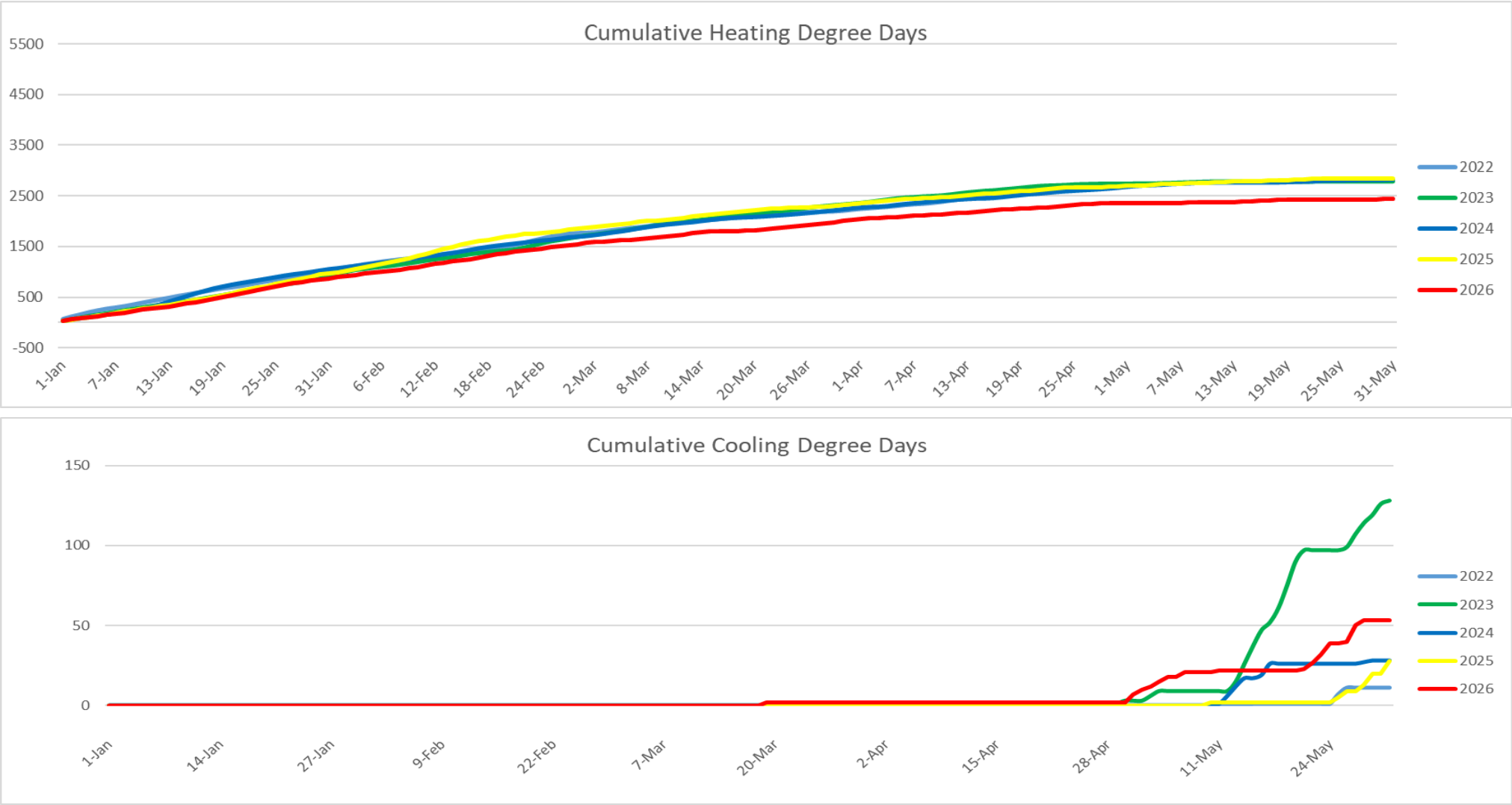
Market Purchases & Powerex	
Secondary Market Sales	
Swap Settlements (contracts at higher price)	

Hydro conditions moved from average to below average in May. Flows are expected to drop in the coming months, and NOAA's seasonal temperature outlook is showing above average temps for the summer. Based on this, markets are expected to be less liquid over that time frame.

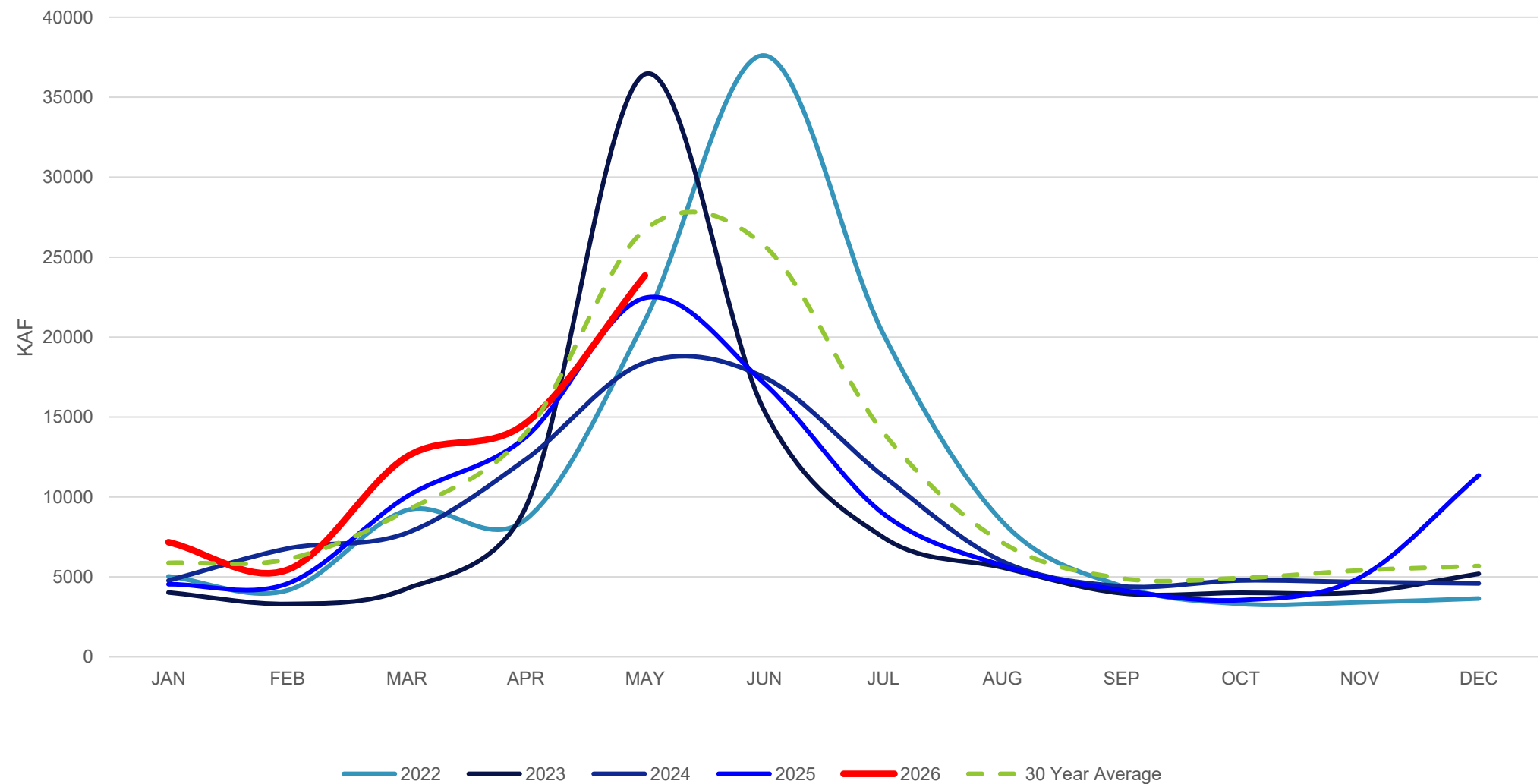
TEMPERATURES



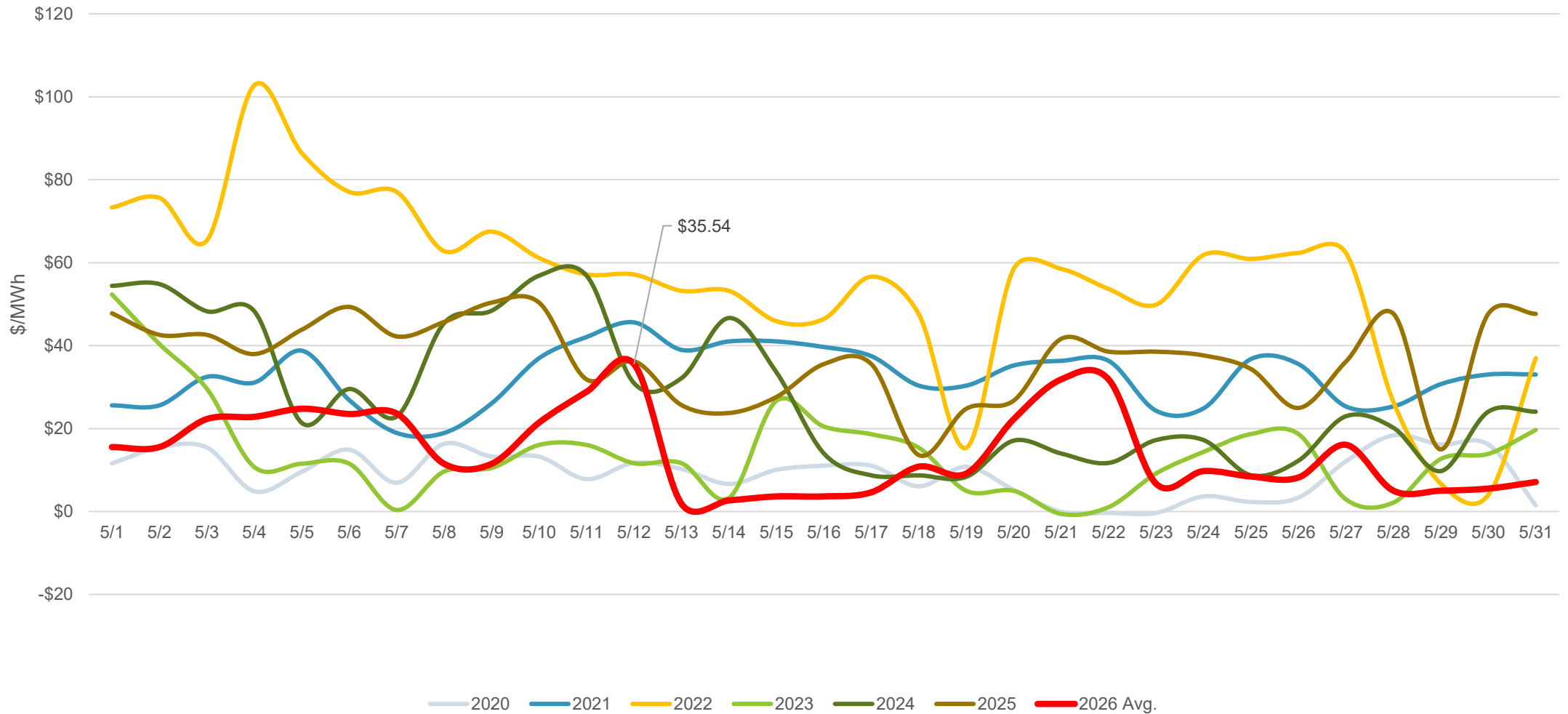
CUMULATIVE WEATHER DATA



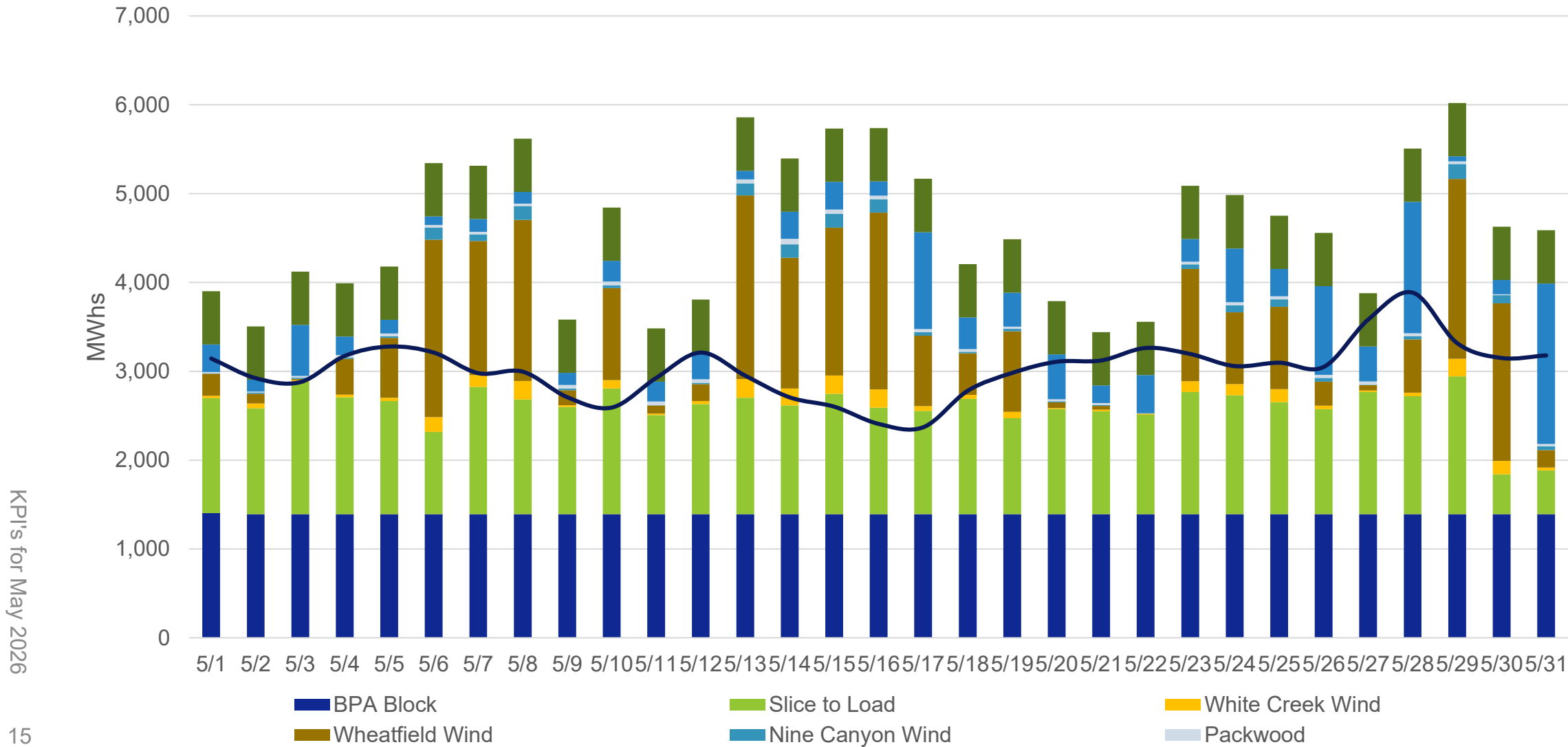
COLUMBIA RIVER RUNOFF



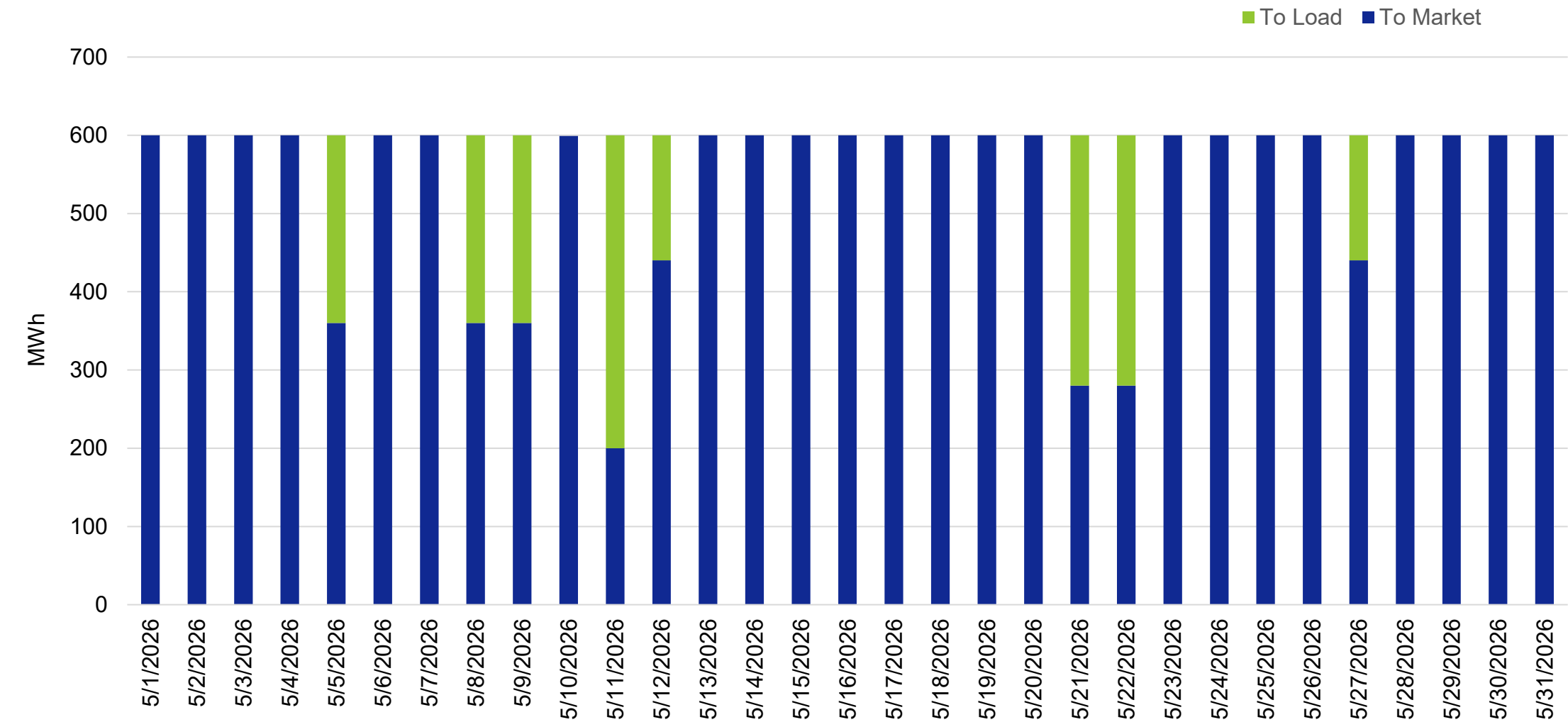
AVERAGE DAILY PRICES (MID-COLUMBIA)



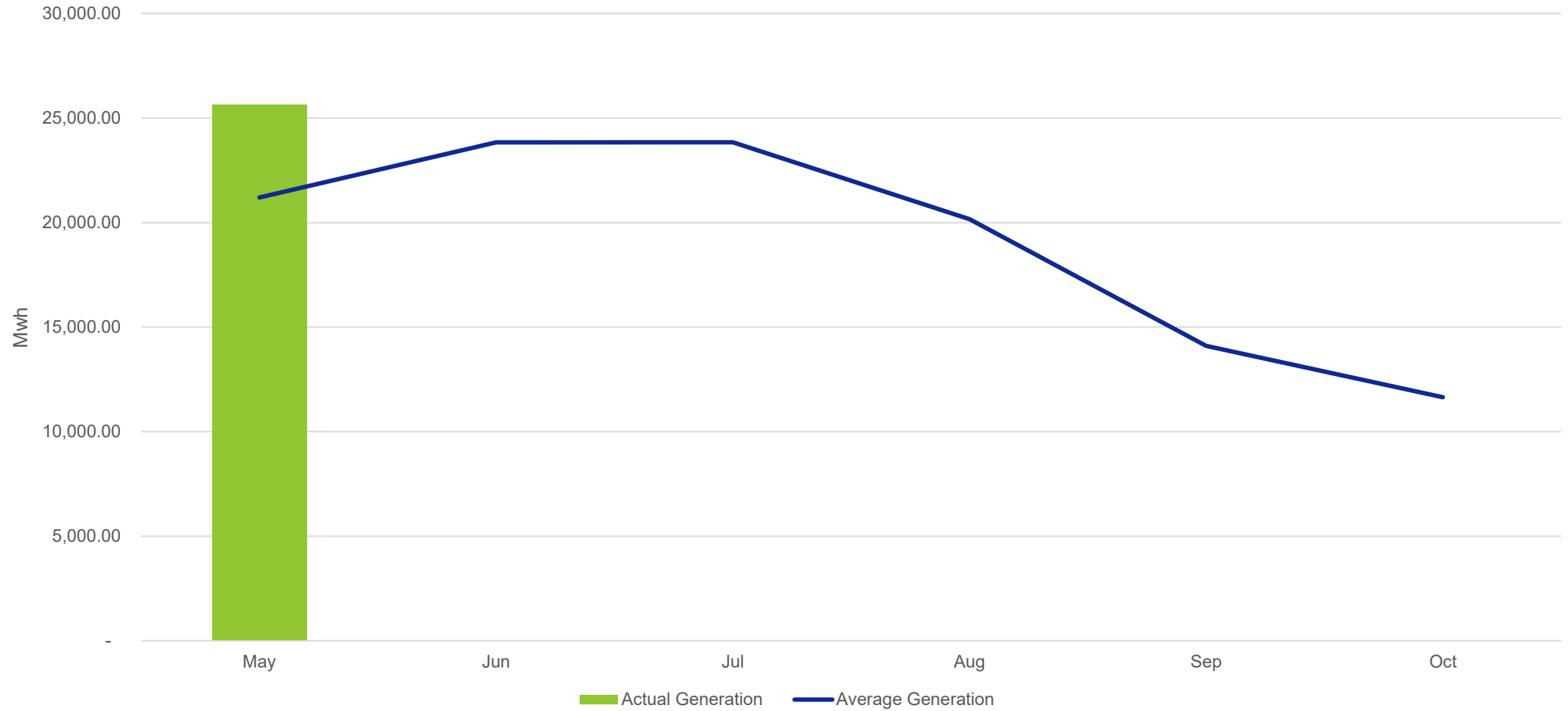
LOAD/RESOURCE BALANCE



POWEREX DELIVERIES

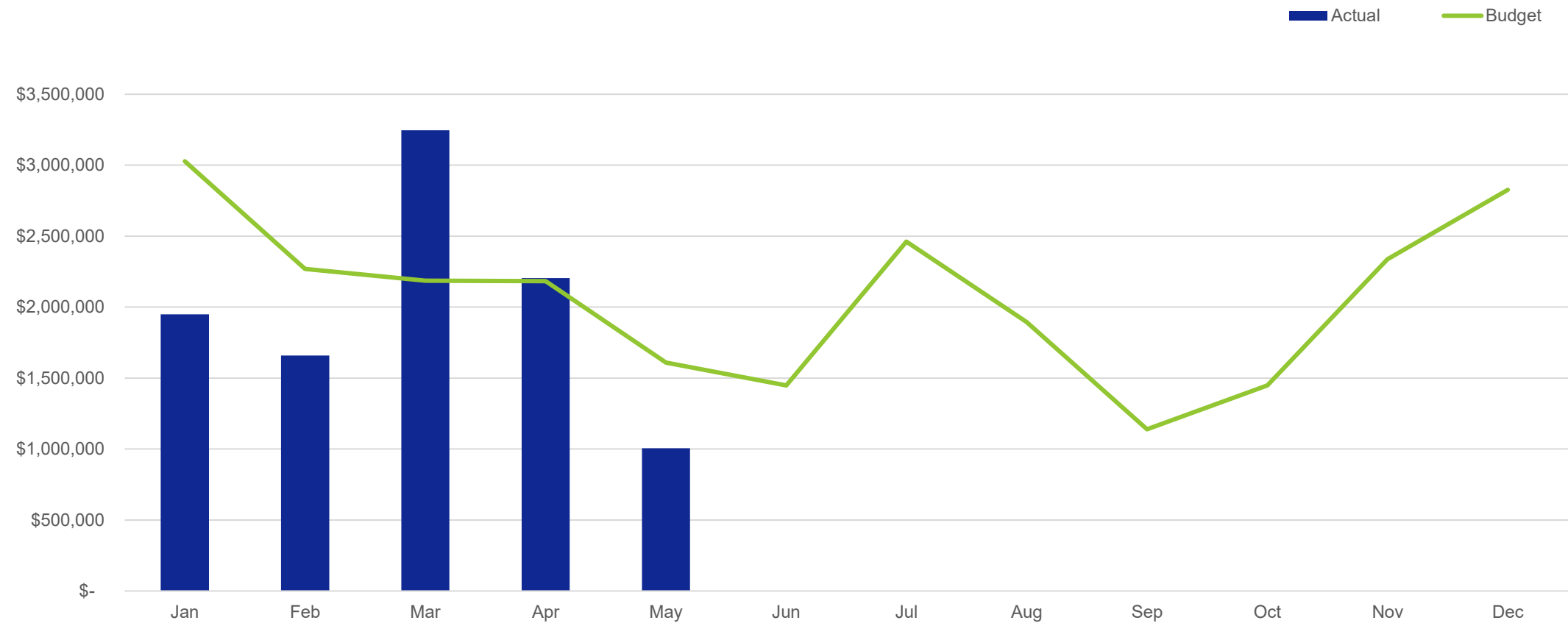


WHEAT FIELD WIND GENERATION

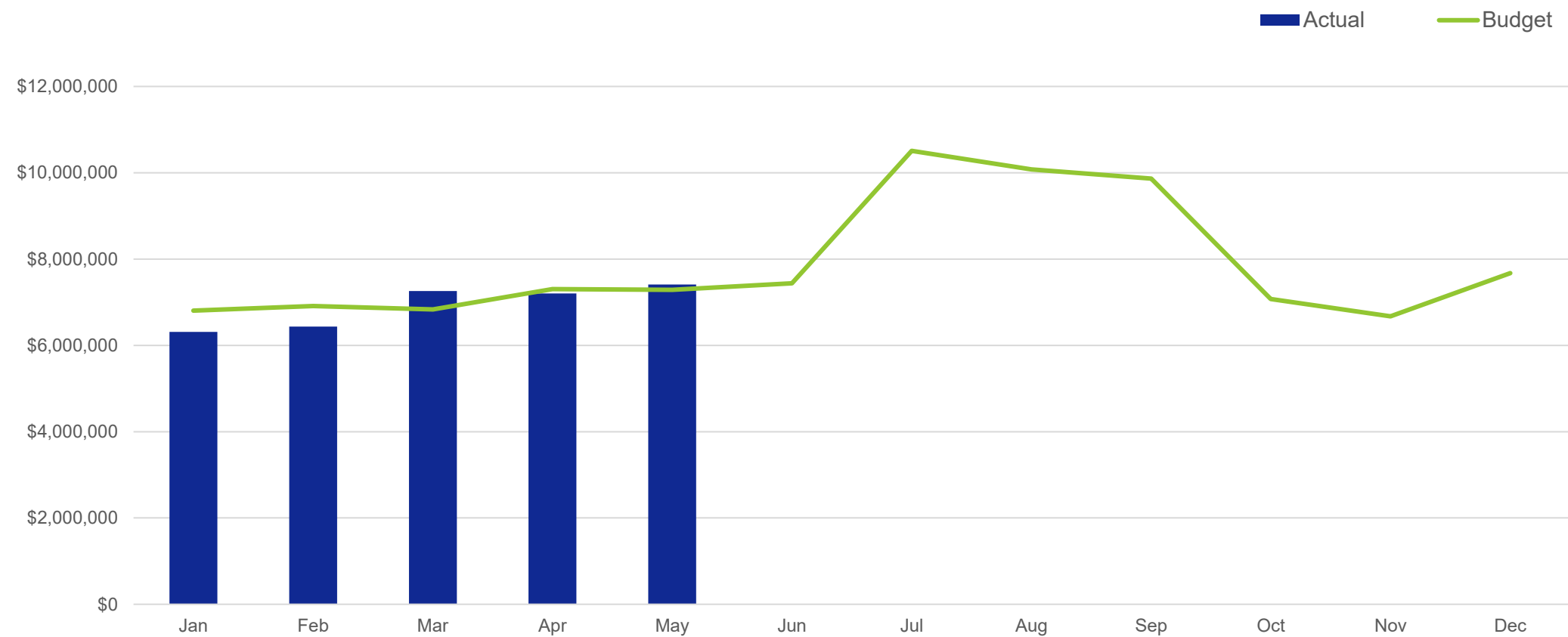


SECONDARY MARKET SALES

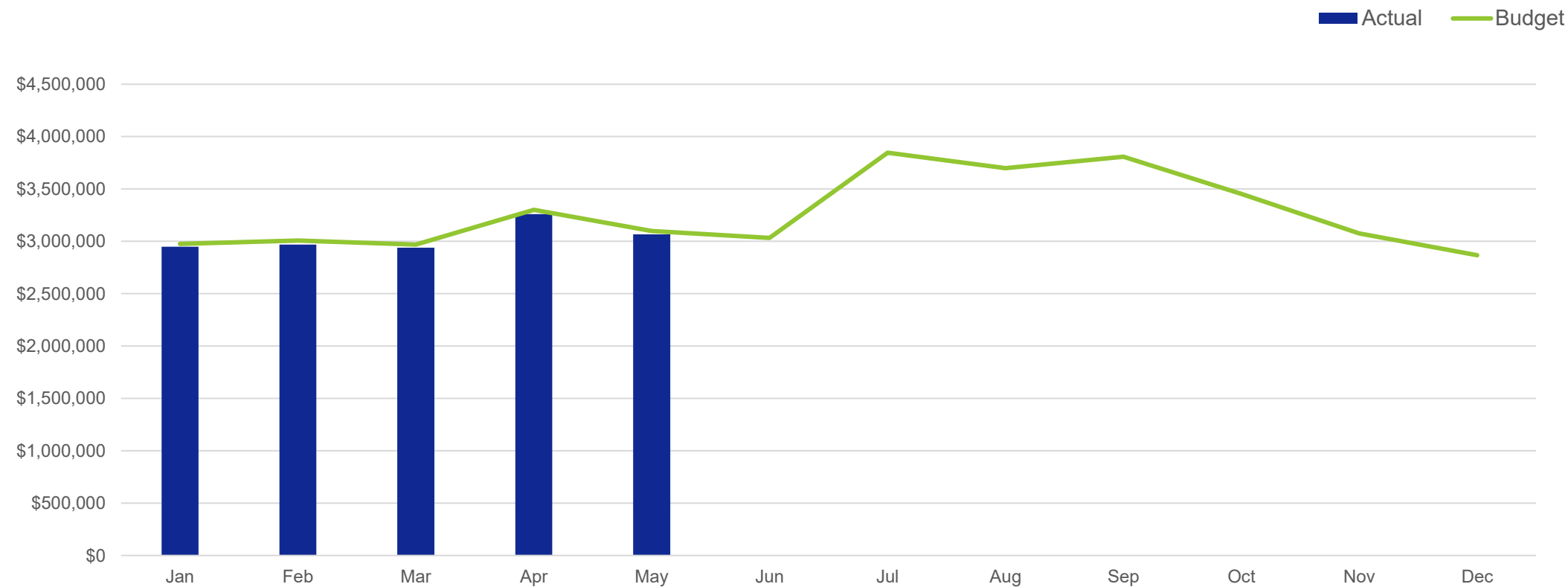
**includes Sales for Resale, REC sales, Carbon Allowance Auction proceeds*



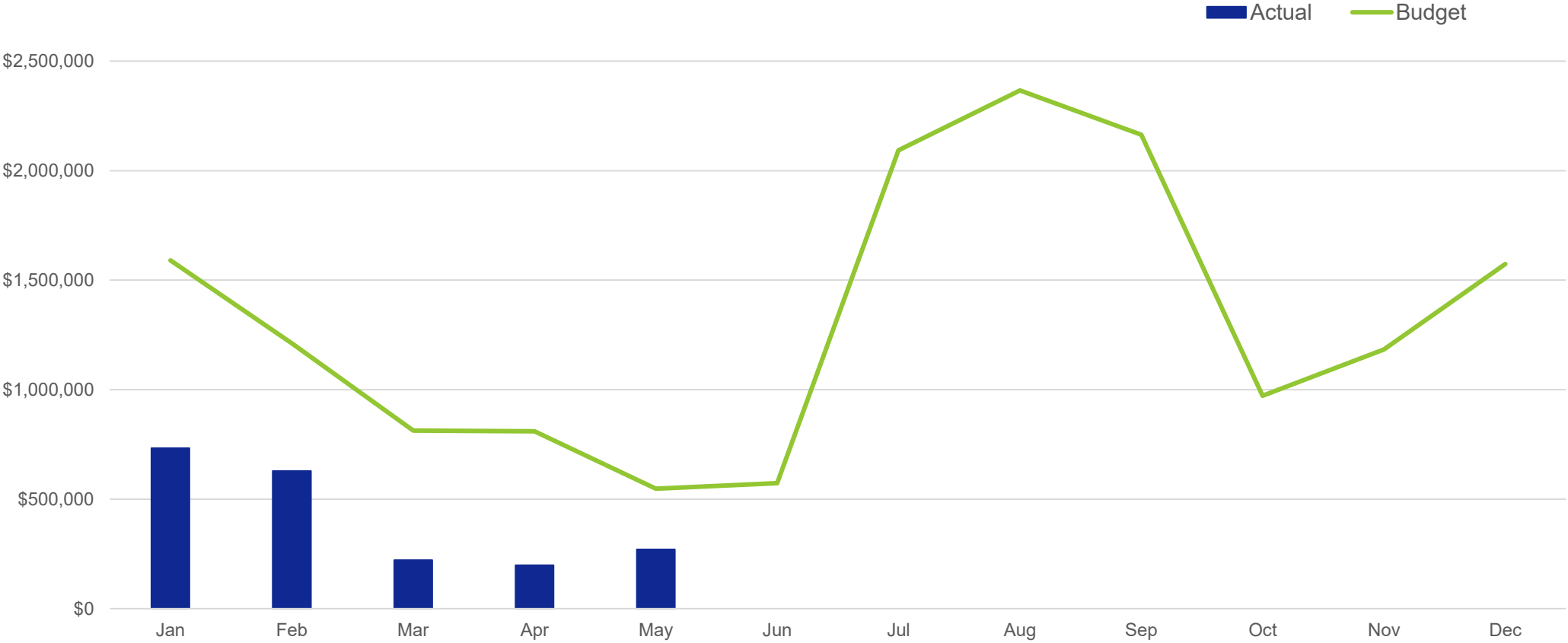
POWER SUPPLY COSTS



BPA POWER: BUDGET VS. ACTUAL



POWEREX: BUDGET VS. ACTUAL

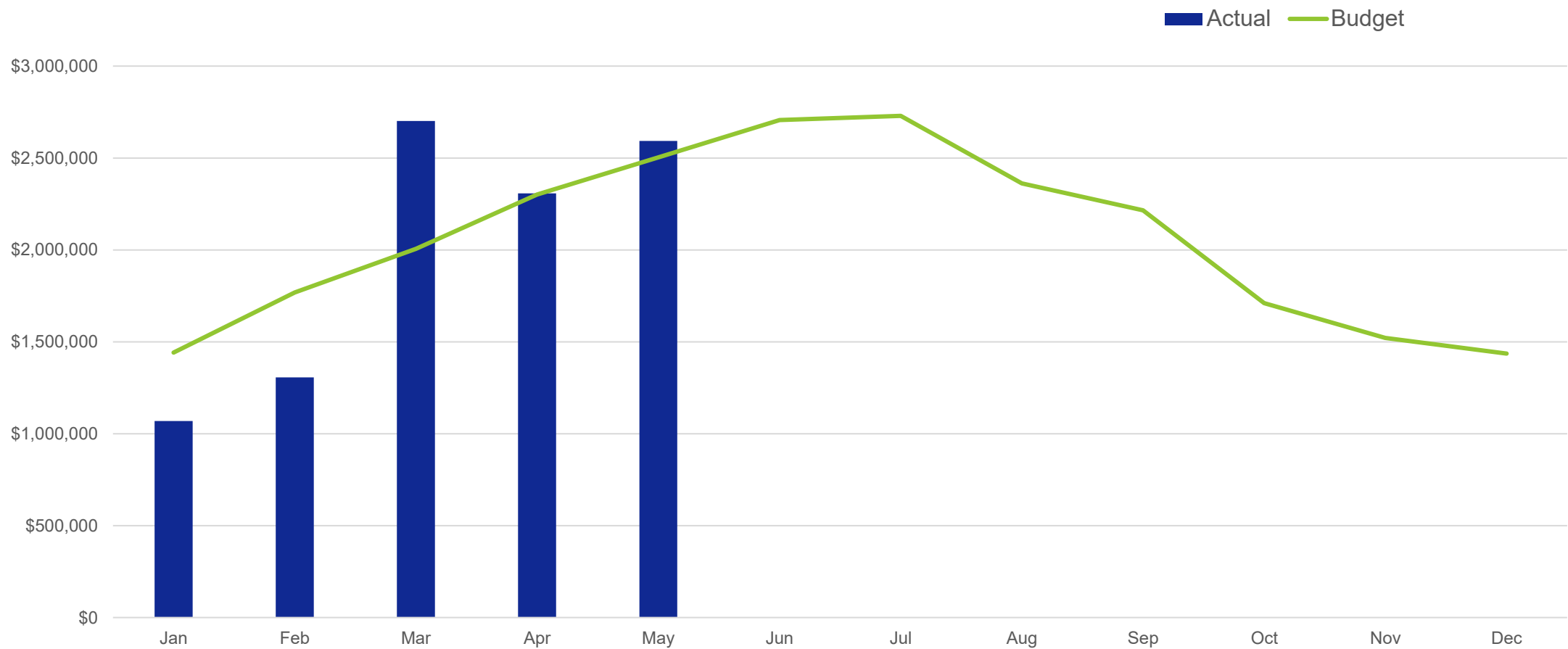


MARKET PURCHASES: BUDGET VS. ACTUAL

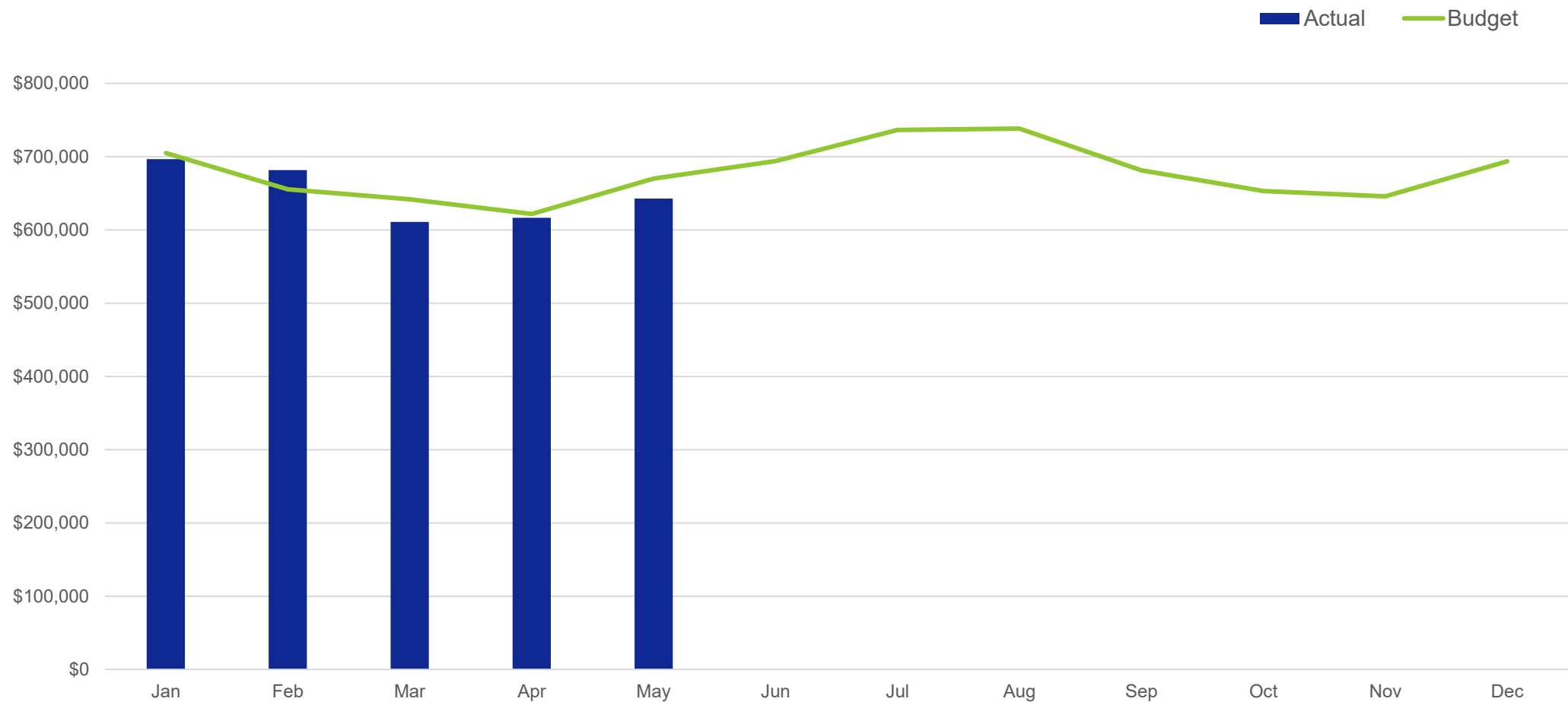
**Includes hedge settlements*



OTHER RESOURCES: BUDGET VS. ACTUAL

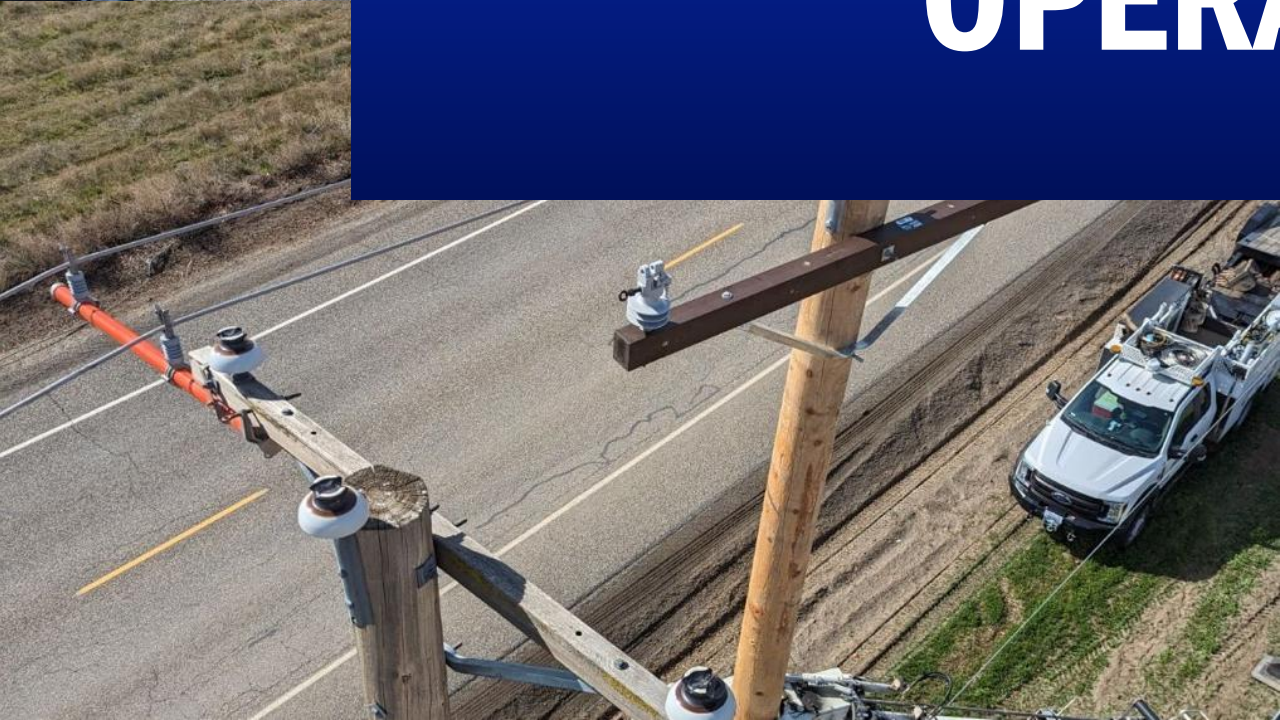


TRANSMISSION & ANCILLARY: BUDGET VS. ACTUAL





OPERATIONS

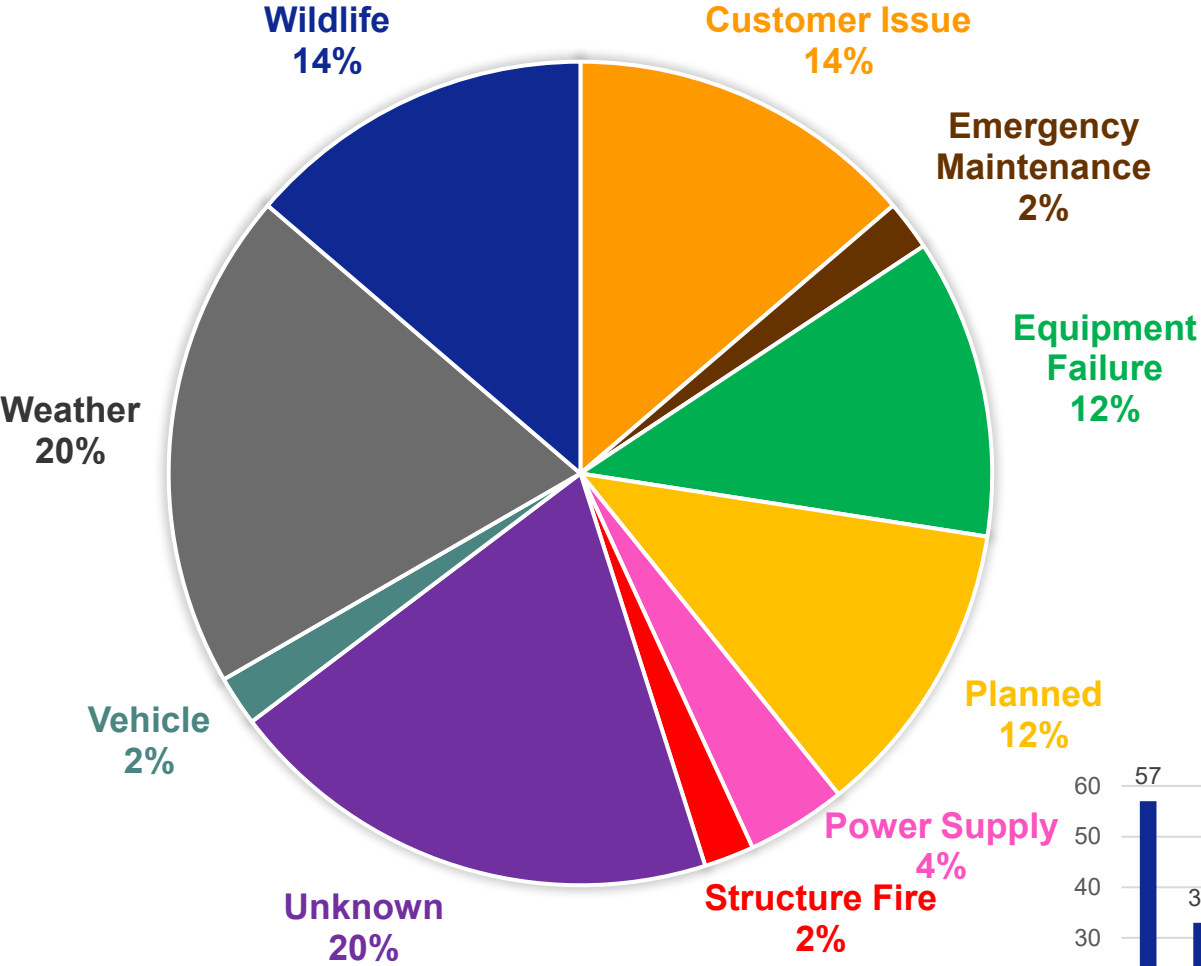


OVERVIEW

	April	May	Year to Date
Outages			
Total	46	51	225
Planned	14	6	63
Longest Unplanned Outage			
Substation	Franklin Bay 2	Franklin Bay 1	Kahlotus
Cause	Equipment Failure	Cause Unknown	Equipment Failure
Date	April 22	May 25	January 1
Duration	4 hours, 23 minutes	3 hours, 1 minute	19 hours, 15 minutes
Customers Affected	1	98	13
Reliability			
SAIFI	0.0098	0.1024	0.188
SAIDI	1.3	5.9	13.7
CAIDI	128.8	57.3	96.16

MAY OUTAGES

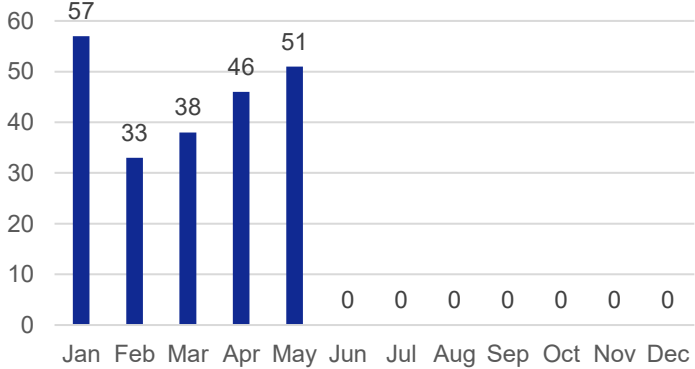
Outage Causes	
Customer Issue	7
Emergency Maintenance	1
Equipment Failure	6
Planned	6
Power Supply	2
Structure Fire	1
Unknown	10
Vehicle	1
Weather	10
Wildlife	7



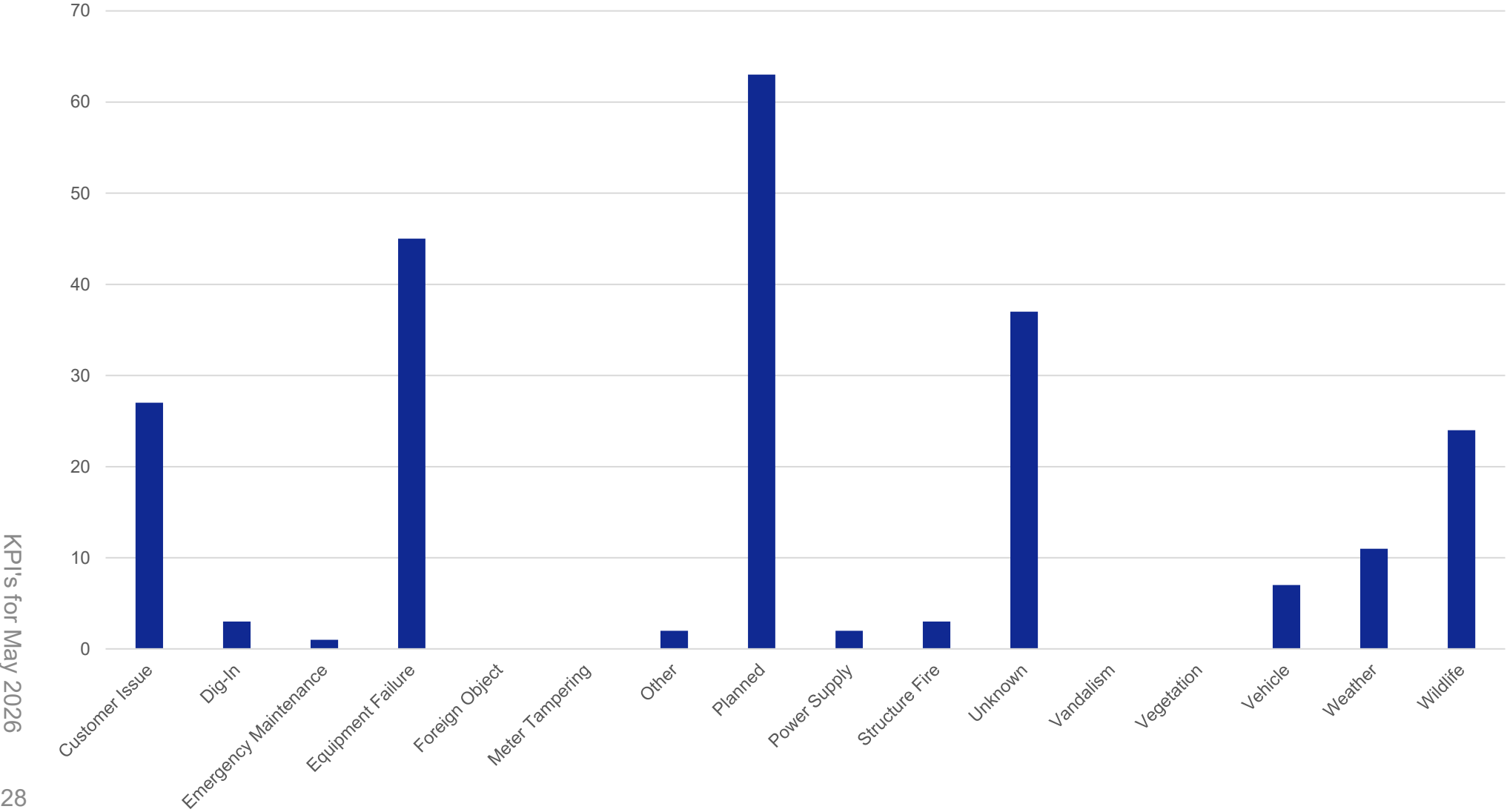
Monthly Outages



Monthly Outages



OUTAGES YTD



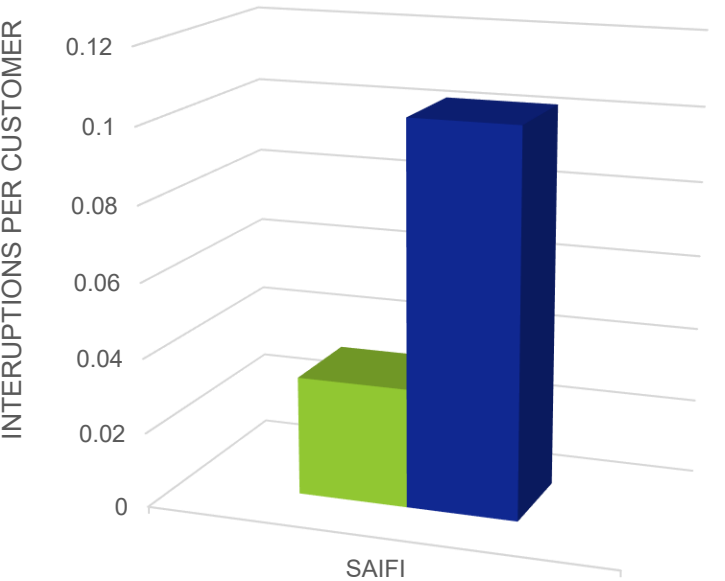
YTD Total Outages



MAY RELIABILITY INDICES

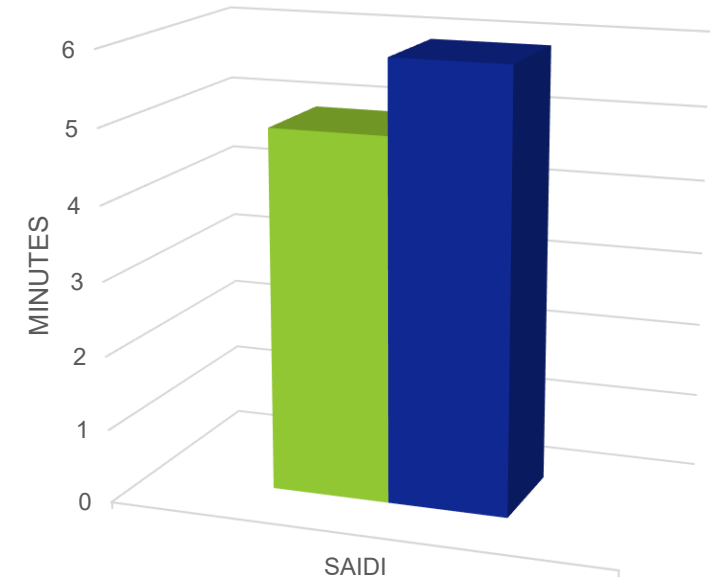
KPI's for May 2026

SAIFI



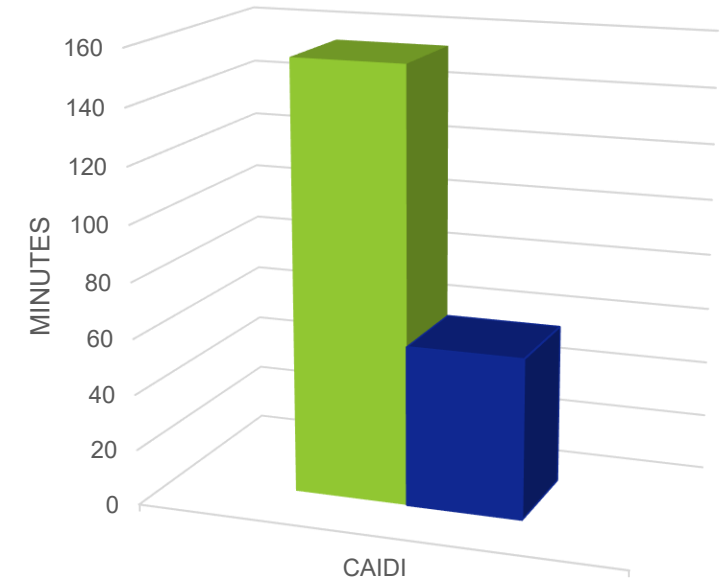
	SAIFI
May-25	0.0319
May-26	0.1024

SAIDI



	SAIDI
May-25	4.9
May-26	5.9

CAIDI



	CAIDI
May-25	154.7
May-26	57.3

SAIFI (System Average Interruption **Frequency Index):**
How often the average customer experiences an interruption

SAIDI (System Average Interruption **Duration Index):**
The total time of interruption the average customer experiences

CAIDI (Customer** Average Interruption **Duration** Index):**
The average time required to restore service

*Only outages lasting longer than five minutes are included in the calculations



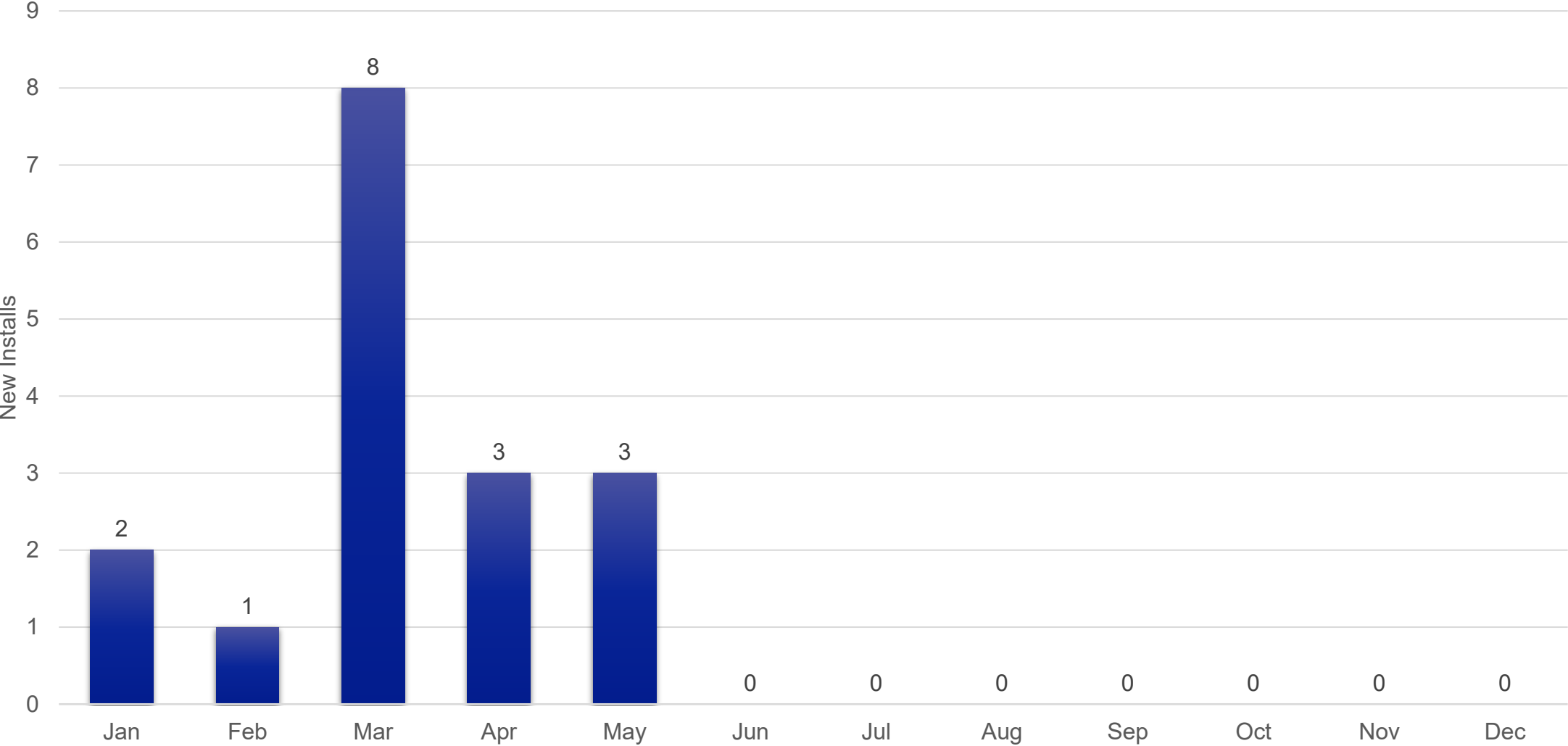
ENGINEERING



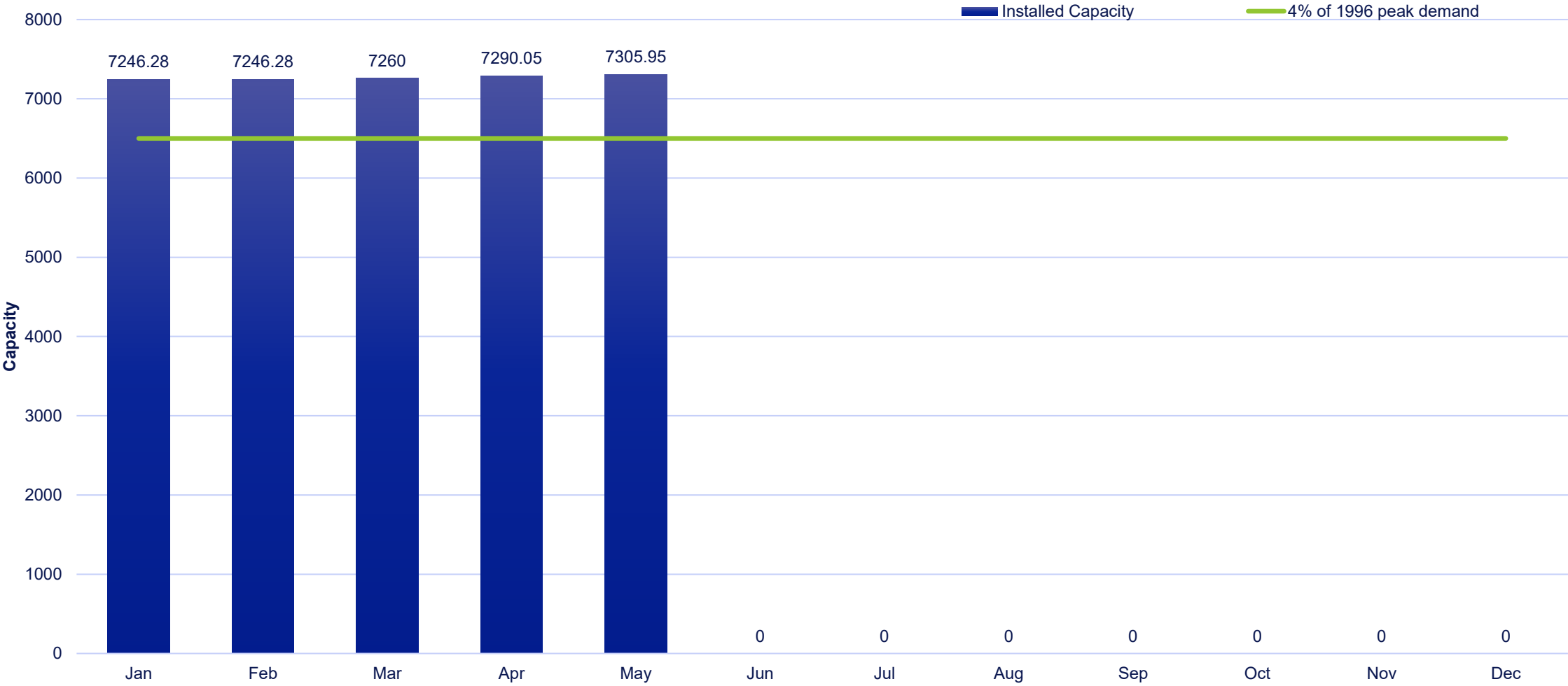
OVERVIEW

KPI	April 🌞📋🏠	May 🌞📋🏠
Net Metering		
New interconnections	3 🌞	3 🌞
Total capacity	7,290 kWac 🌞	7,306 kWac 🌞
Active connections	944 (avg. 7.72 kWac) 🌞	947 (avg. 7.71 kWac) 🌞
Work Orders		
Total released	12 📋	6 📋
Total est. cost	\$1,423,309.00 📋	\$722,162.30.00 📋
Avg. per job	\$118,609.08 📋	\$120,360.38 📋
New Services		
Residential	30 🏠	31 🏠
Commercial	6 🏠	5 🏠
Temporary Service		
Residential requests	24 🚧	9 🚧
Commercial request	2 🚧	1 🚧
Total active meters	75 🚧	80 🚧

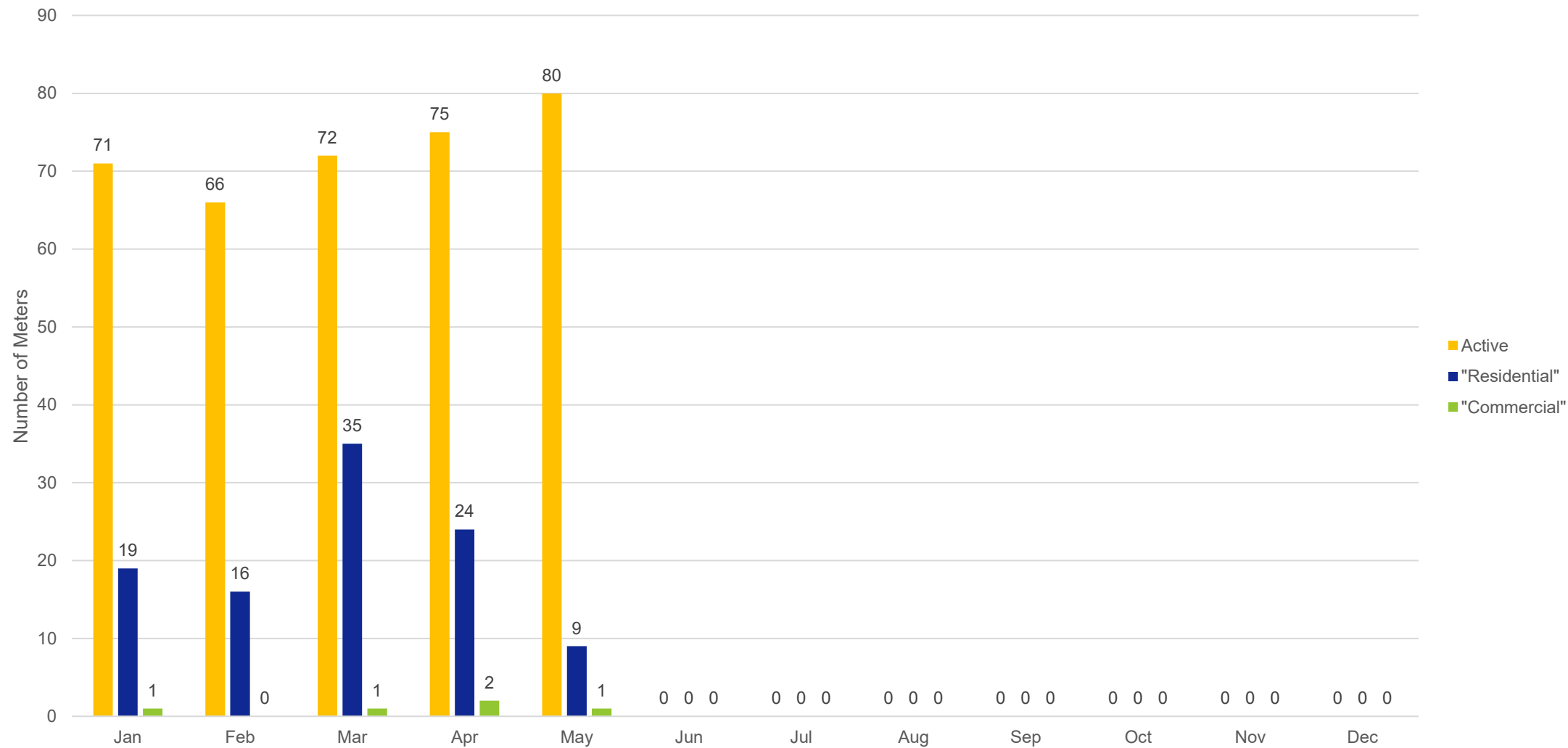
NET METERING INSTALLATIONS



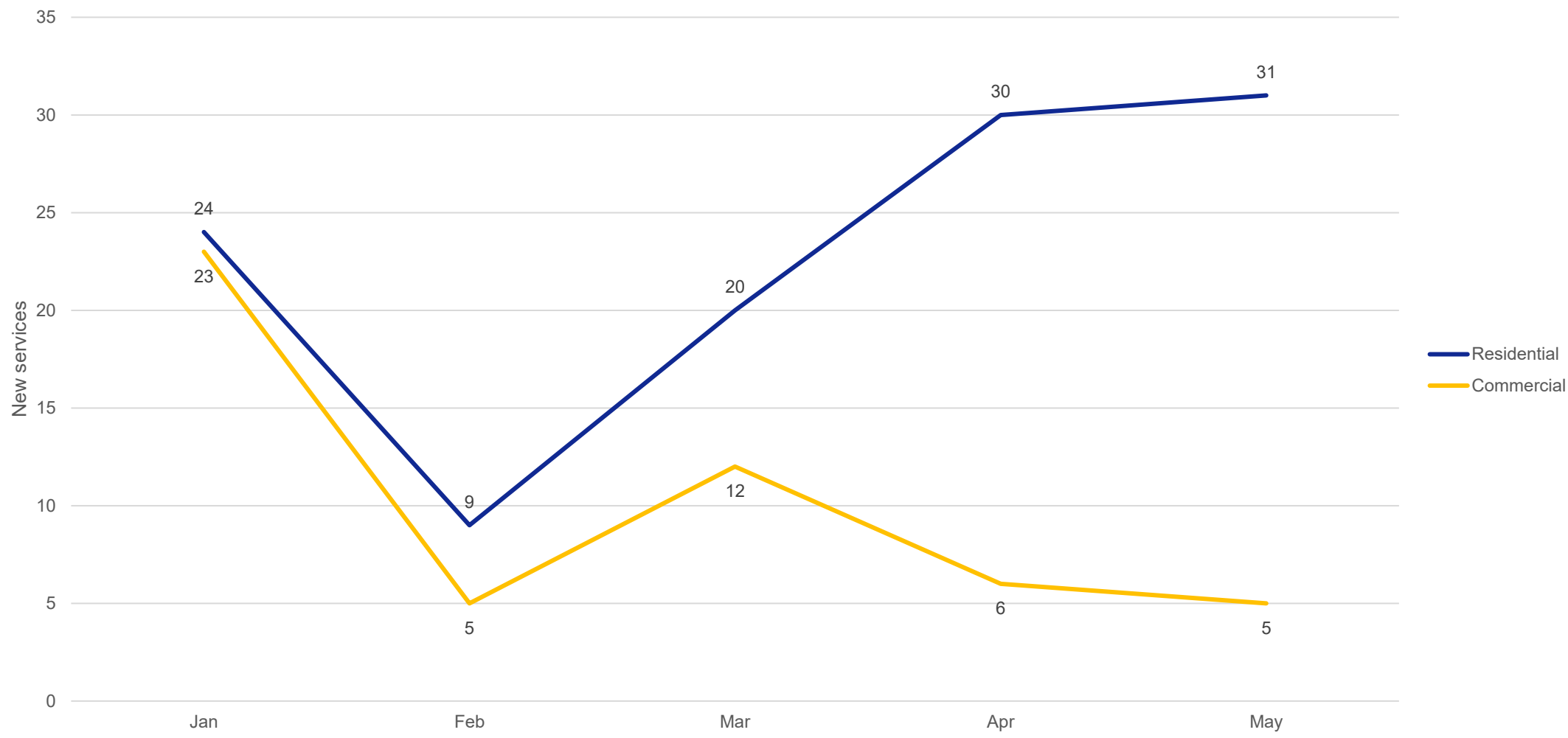
NET METERING CAPACITY INSTALLED



TEMPORARY SERVICES



NEW SERVICES



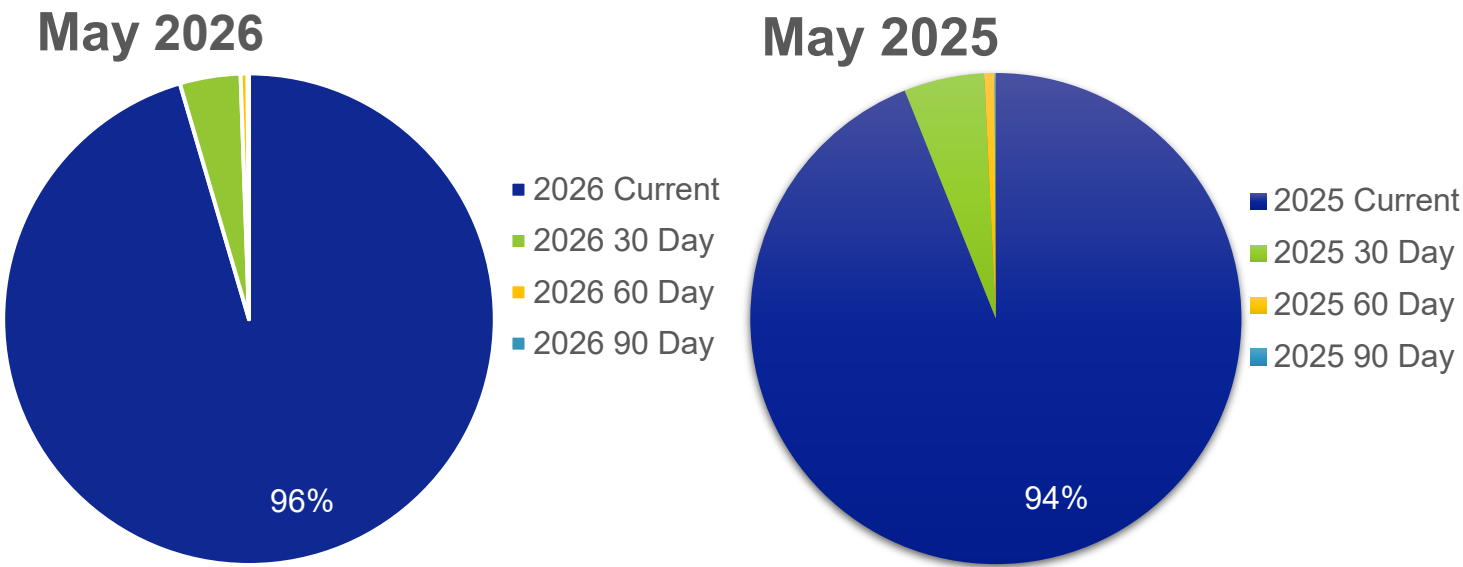


CUSTOMER SERVICE



CUSTOMER SERVICE

AGING ACCOUNTS

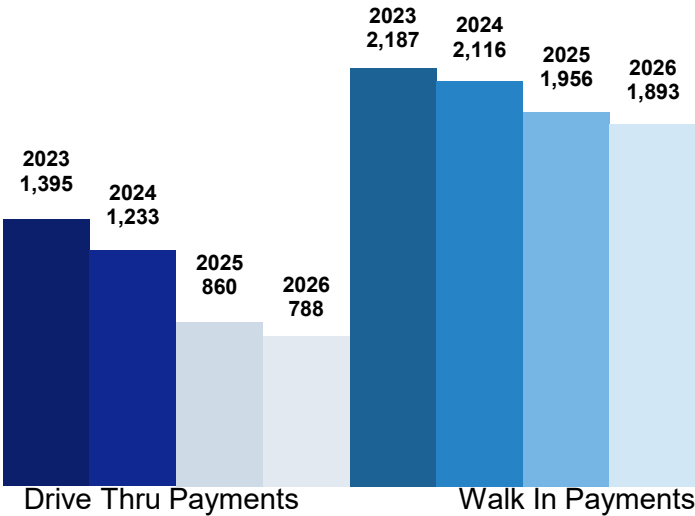


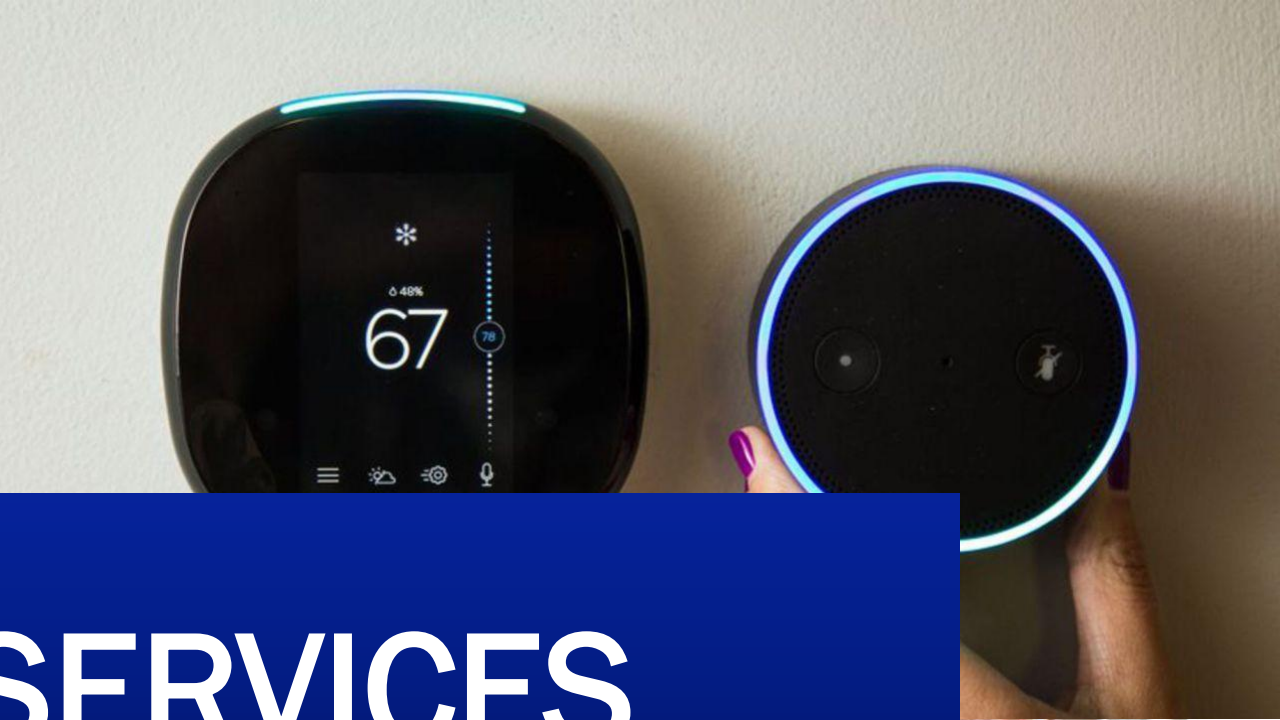
	Current	30-60	60-90	90+
2026	\$6,068,981	\$253,825	\$28,930	\$5,809
2025	\$5,436,447	\$306,094	\$39,105	\$4,729

Move in/Move Out Service Orders Processed in May 2026



May In Person Payments





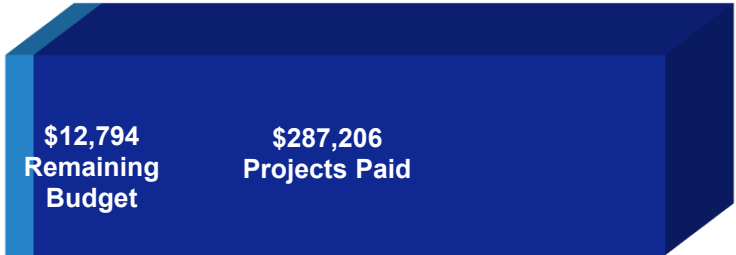
ENERGY SERVICES



ENERGY SERVICES

UTILITY FUNDED

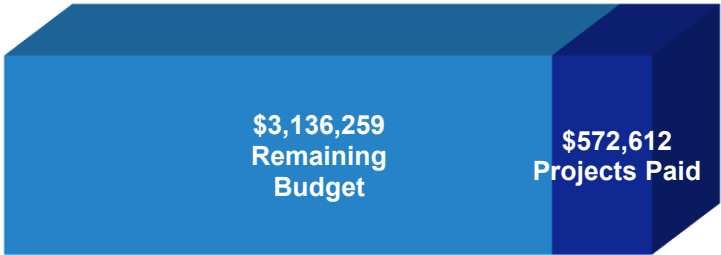
Self-Funding 2026 Total Budget \$300,000



Type	Qty	Total Paid YTD
Residential Low Income	55	\$240,602
Residential Non-Low Income	2	\$8,616
Thermostat/Appliance Rebates	14	\$950
Agriculture	2	\$22,049
Commercial	1	\$2,200
Industrial	1	\$12,789
SEM	0	\$0
Other	0	\$0

BPA FUNDED

BPA FY26-FY28 Total Budget \$3,708,871

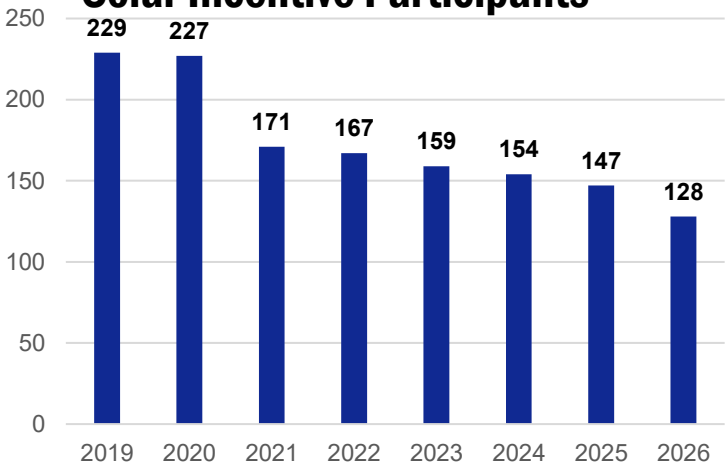


Type	Qty	Total Paid YTD
Residential Low Income	74	\$339,156
Residential Non-Low Income	4	\$11,389
Thermostat/Appliance Rebates	0	\$0
Agriculture	7	\$94,602
Commercial	9	\$97,444
Industrial	2	\$30,021
SEM	0	\$0
Other	0	\$0

Pre-Inspections/Final Inspections
Completed in 2026



Solar Incentive Participants





PUBLIC AFFAIRS



PUBLIC AFFAIRS

Community & Employee Engagement:

MCL Safety Demonstration

- May 13, 2026

NWPPA GM/CEO Presentation

- May 20, 2026

Sageview High School Careers Presentation

- May 29, 2026

Instagram: Facebook:

4.1K

Reels and post views

+82% from April

64%

Views from non-followers

+552% from April

555

Followers

+10 from April

24,882

Views

↑ 66%

1,444

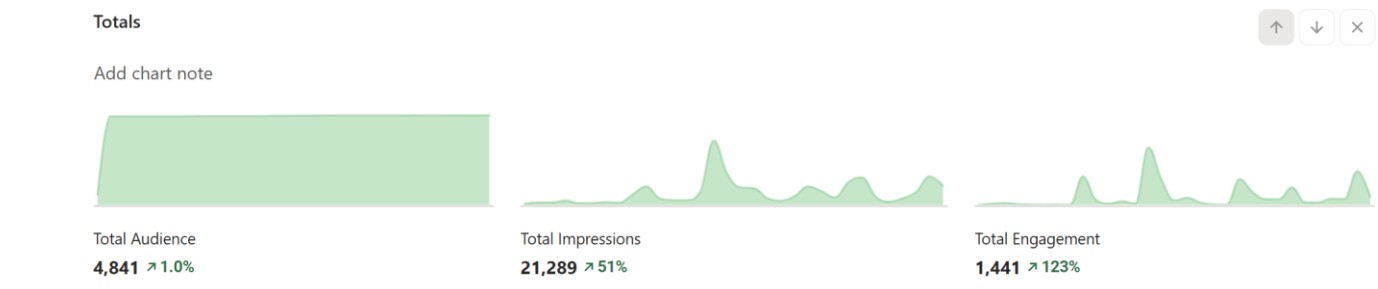
Engagement

↑ 127%

38

Net follows

↑ 36%



SOCIAL MEDIA MONTHLY THEMES

May – National Electrical Safety Month

Post that made the most impact:

May 8, 2026 04:01pm				
At Franklin PUD, safety is personal. That's why we invited some very special guests, our employees' kids, to spend the day with us. We wanted to show them exactly what their moms and dads do, and more importantly, how to stay safe around electricitv in their own backvards. Between watching our linemen climb the poles, hear				
Post Clicks	Reactions	Impressions	Eng. Rate	Spend
123	18	1,722	8.54%	—

May 21, 2026 01:00am				
Outdoor play is in full swing, but Aaliyah and Aurora have some super important lessons to share about staying safe around electricity. Aaliyah learned that pad mounted transformers are not toys or benches. Even though they are locked, these boxes contain high-voltage equiument that steps down electricitv for our home				
Post Clicks	Reactions	Impressions	Eng. Rate	Spend
165	26	2,142	9.20%	—

May 29, 2026 07:01pm				
Kayson learned that electricity can be dangerous and that you should always assume downned lines are live and fully energized. Even though he's still a little too young to say it perfectly, calling them "sea lions" in the video, he knows the dander is very real! Stepping near a downned line can create an invisible danger zone, as the c				
Post Clicks	Reactions	Impressions	Eng. Rate	Spend
146	18	2,142	7.89%	—



INFORMATION TECHNOLOGY

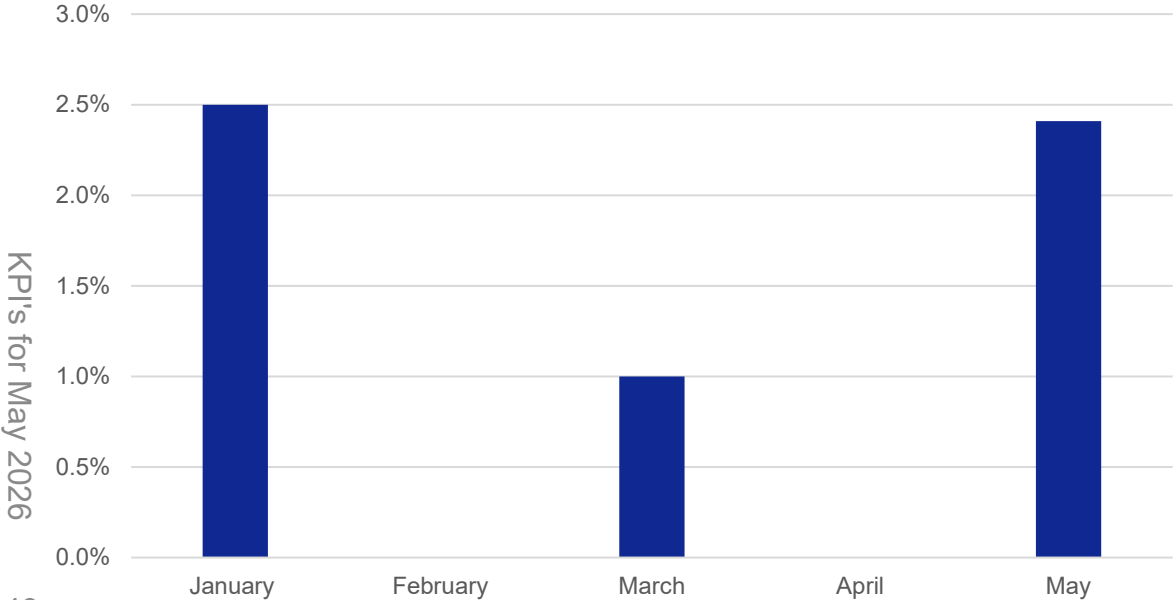


CYBERSECURITY

May Phishing Results	
Total Emails Sent	83
Number of users who clicked on links	2
Number of users who reported as “Phishing”	39
Phish-Prone %	2.41%

Previous Results		
January	Standard Operating Procedures	2.5%
February	Meeting Guidelines	0%
March	Signature Requested	1.23%
April	Appropriate Web Access	0%
May	ChatGPT Invite	2.41%
June		0%
July		0%
August		0%
September		0%
October		0%
November		0%
December		0%

Phish-Prone % By Month

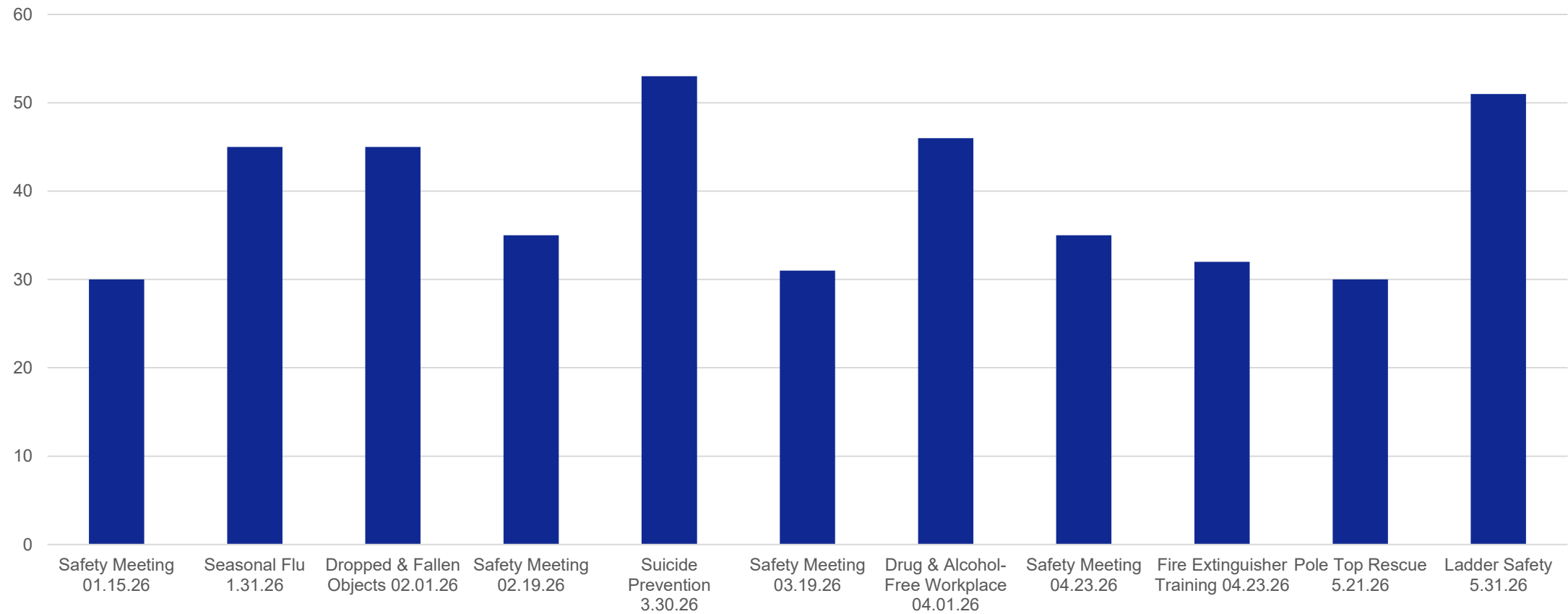




SAFETY



SAFETY TRAINING

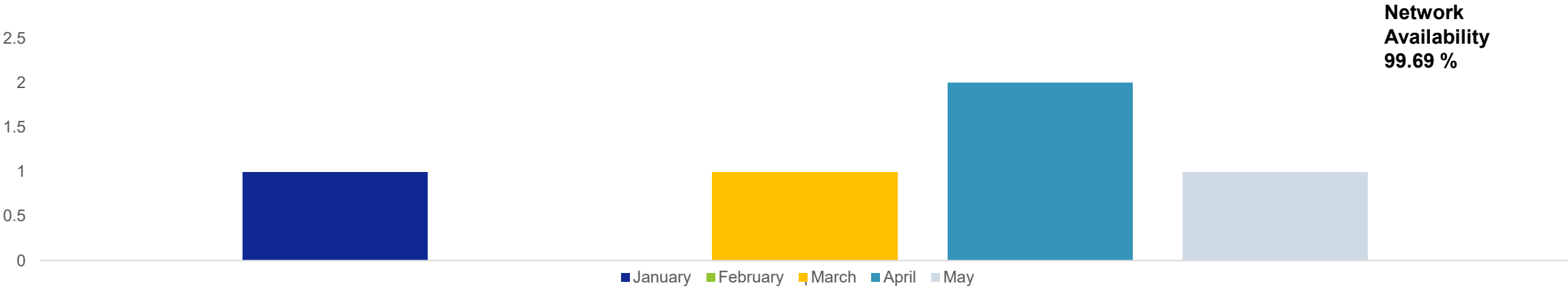




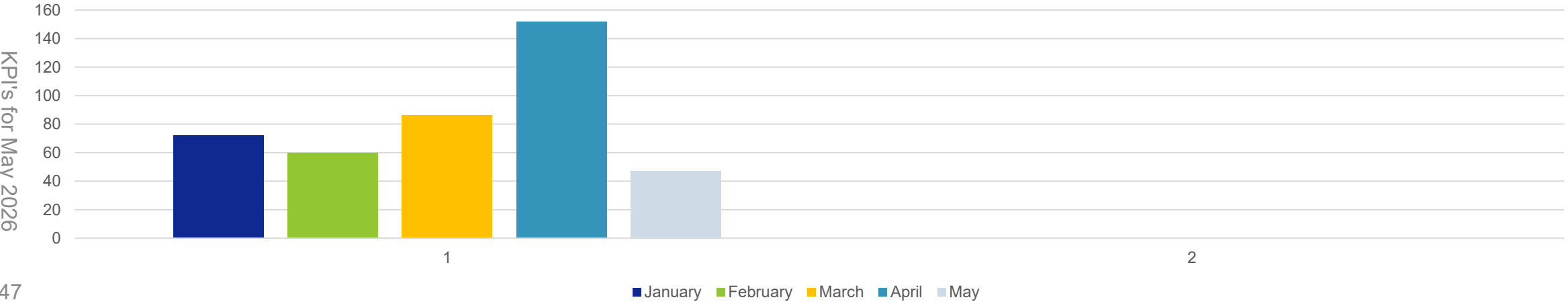
BROADBAND



Broadband Unplanned Outage Time



Broadband New Services



Fiber-To-The-Home Project (as of 6/10/2026)

Project to Date (as of 6/10/2026)

- Total Drops: 969
- Completed Drops: 892
- Service orders total: 609
- Services turned up: 449
- Current Service orders remaining to turn up: 160
- Grant Funding Total: \$4,854,610
- Total Spent To Date: \$3,991,919
- Grant Reimbursed To Date: \$3,985,869

Basin City Monthly Report

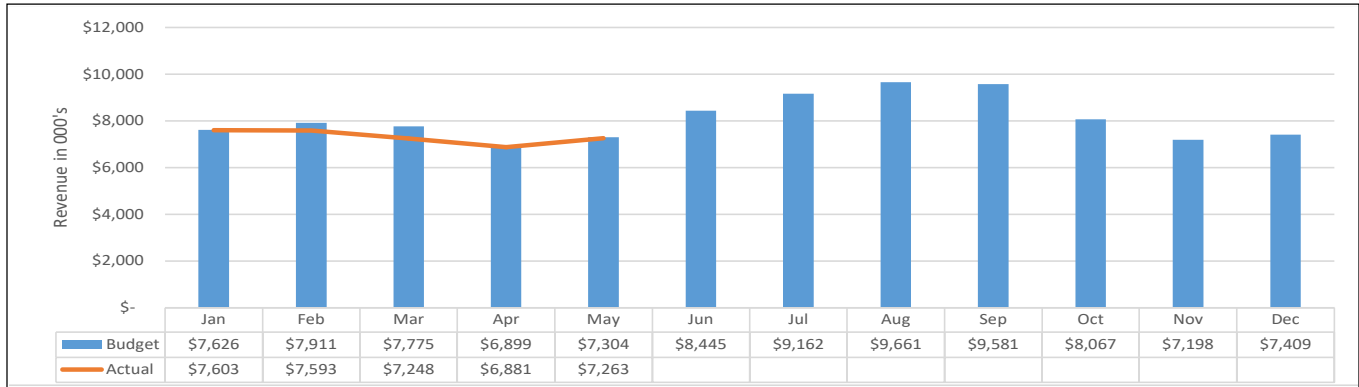
- Overhead Drops: no aerial drops in Basin City
- Underground Drops: 0

Connell Monthly Report

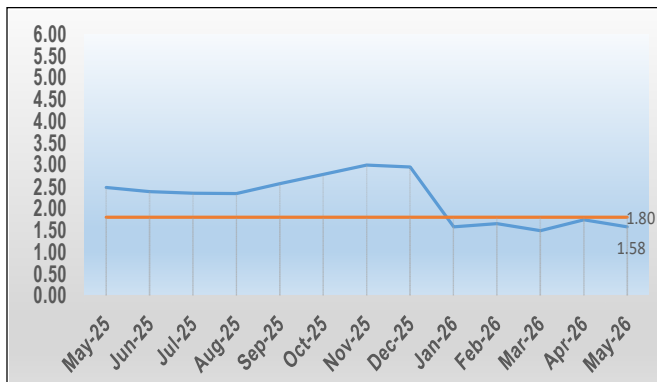
- Overhead Drops: 2
- Underground Drops: 0

Public Utility District No. 1 of Franklin County
Monthly Financial Highlights
For the Month Ended May 31, 2026

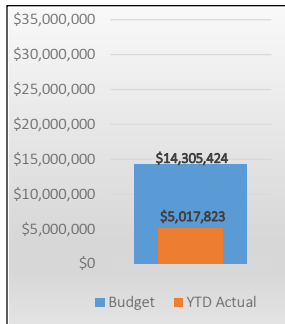
Retail Revenue by Month



Debt Service Coverage



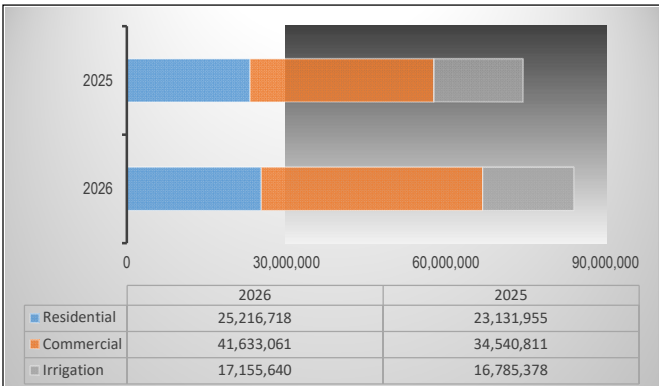
Capital Spending



Electric Customer Statistics

As of May 31:	2026	2025
Electric Residential Meters	29,701	29,299 ↑
Electric Commercial Meters	4,043	3,950 ↑
Electric Irrigation Meters	902	907 ↓

Energy Uses - kWh



Labor & Benefits

	Budget	Actual	+/- 10%
Capital	\$162,938	\$143,015	●
Operating	1,137,811	1,147,640	●
Garage & Warehouse	64,242	83,229	●
Total	\$1,364,991	\$1,373,884	

Overtime

YTD May:	Budget*	Actual
Hours	2729	2352
Dollars	\$338,668	\$301,813

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

Cash & Investment Balances

	End of Year Forecast		
	Prior Month	Current Month	
Unrestricted Revenue Fund	\$ 25,492,348	\$ 24,791,992	↓
Unrestricted Rate Stabilization	\$ 5,900,000	\$ 5,900,000	●
Unrestricted Funds - Capacity Fees	\$ 1,500,000	\$ 1,500,000	●
Restricted Bond Funds	\$ 2,033,170	\$ 2,033,170	●
Restricted Construction Funds	\$ 2,200,000	\$ 2,200,000	●
Restricted Debt Service Reserve	\$ 1,942,603	\$ 1,942,603	●
Restricted Deposit Fund	\$ 1,417,793	\$ 1,417,793	●
Restricted Other	\$ 10,000	\$ 10,000	●

Public Utility District No. 1 of Franklin County
Budget Status Report
For the Month Ended May 31, 2026

	Budget	Actual	Variance	FY Forecast	FY Budget	Variance
1 Operating Revenues						
2 Retail Energy Sales	\$7,304,187	\$7,262,863	(\$41,324)	\$96,110,863	\$97,038,996	(\$928,133)
3 Broadband Sales	227,680	342,420	114,739	2,873,939	2,734,784	139,154
4 Transmission Sales	0	23,076	23,076	191,157	0	191,157
5 Secondary Market Sales	1,609,779	1,006,002	(603,777)	21,437,425	24,832,665	(3,395,239)
6 Other Operating Revenue	33,472	20,699	(12,773)	554,590	551,668	2,922
7 Total Operating Revenues	<u>\$9,175,118</u>	<u>\$8,655,060</u>	<u>(\$520,059)</u>	<u>\$121,167,974</u>	<u>\$125,158,113</u>	<u>(3,990,139)</u>
8						
9 Operating Expenses						
10 Power Supply	7,284,577	7,409,790	125,214	93,623,586	94,447,672	(824,086)
11 System Operations & Maintenance	687,309	729,333	42,025	7,927,084	8,181,824	(254,739)
12 Broadband Operations & Maintenance	91,420	51,688	(39,732)	912,738	999,376	(86,638)
13 Customer Accounts Expense	170,857	149,114	(21,743)	2,064,662	2,039,244	25,418
14 Administrative & General Expense	733,434	545,762	(187,672)	7,708,465	8,089,500	(381,035)
15 Taxes	464,235	466,216	1,981	5,851,447	5,874,875	(23,429)
16 Total Operating Expenses	<u>9,431,831</u>	<u>9,351,902</u>	<u>(79,928)</u>	<u>118,087,983</u>	<u>119,632,492</u>	<u>(1,544,509)</u>
17						
18 Operating Income (Loss)	<u>(\$256,713)</u>	<u>(\$696,843)</u>	<u>(\$440,130)</u>	<u>\$3,079,991</u>	<u>\$5,525,621</u>	<u>(\$2,445,630)</u>
19						
20 Non Operating Revenue (Expense)						
21 Interest Income	127,190	154,761	27,571	1,496,387	1,391,578	104,809
22 Interest Expense	(208,486)	(208,486)	(0)	(2,476,226)	(2,476,226)	(0)
23 Federal & State Grant Revenue	0	0	0	0	0	0
24 Federal & State Grant Expense	0	0	0	(21,032)	0	(21,032)
25 Other Non Operating Revenue (Expense)	1,667	136	(1,531)	53,937	20,000	33,937
26 Total Non Operating Revenue (Expense)	<u>(79,630)</u>	<u>(53,590)</u>	<u>26,040</u>	<u>(946,934)</u>	<u>(1,064,648)</u>	<u>117,714</u>
27						
28 Capital Contributions	290,000	138,558	(151,442)	5,017,264	4,350,000	667,264
29						
30 Change in Net Position	<u>(\$46,342)</u>	<u>(\$611,874)</u>	<u>(\$565,532)</u>	<u>\$7,150,322</u>	<u>\$8,810,974</u>	<u>(\$1,660,652)</u>
Debt Service Payment (Annual)				\$ 6,095,463	\$ 6,095,463	
Change in Net Position				7,150,322	8,810,974	
Interest Expense				2,476,226	2,476,226	
Net Revenue Available for Debt Service				\$ 9,626,548	\$ 11,287,199	
Debt Service Coverage (DSC)				1.58	1.85	

Public Utility District No. 1 of Franklin County
2026 Capital Budget by Project
Percent of Year Elapsed: 42%

Category	Project Description	Year to Date May 2026	2026 Budget	\$ Remaining in Budget	% Spent
Broadband					
1.26	BROADBAND SYSTEM IMPROVEMENTS & EXPANSION	\$ 140,847	\$ 531,000	\$ 390,153	26.52%
2.26	BROADBAND CUSTOMER CONNECTS	170,583	570,924	400,341	29.88%
142.26	RAILROAD AVE COLLO FACILITY	-	100,000	100,000	0.00%
236.26	COLO2 HVAC / CABINET / EXPANSION	1,027	225,000	223,973	0.46%
BBPD.26	BROADBAND PROPERTY DAMAGE	2,938	10,000	7,062	29.38%
232.26	SERVER RM/COLLO#1 HVAC DESIGN	27,015	-	(27,015)	100.00%
198.26	WSBO CONNELL - BASIN CITY PROJECT*	1,058	-	(1,058)	100.00%
Total for Broadband		343,468	1,436,924	1,093,456	23.90%
<i>*AMOUNTS FUNDED BY FEDERAL GRANT PROGRAM</i>					
Building					
237.26	GUTTER FOR TRUCK BAY	-	20,000	20,000	0.00%
92.26	RTU 8 REPLACEMENT- CARRYOVER	-	155,000	155,000	0.00%
238.26	SWAMP COOLER (OPS)	-	15,000	15,000	0.00%
239.26	HEATER (OPS) 2	-	20,000	20,000	0.00%
202.26	ASPHALT RE-SEAL W. CLARK ST.& OPS - CONTINUATION	-	100,000	100,000	0.00%
203.26	1411 W. CLARK POWER REMODEL- CARRYOVER	374,417	500,000	125,583	74.88%
240.26	CARPET FOR W. CLARK BUILDING	-	100,000	100,000	0.00%
241.26	PROPERTY ACQUISITION	-	200,000	200,000	0.00%
Total for Building		374,417	1,110,000	735,583	33.73%
Information Handling					
242.26	RUGGED LAPTOPS	23,022	23,000	(22)	100.10%
243.26	ENGINEERING PC'S	34,847	36,000	1,153	96.80%
244.26	NAS NETWORK ATTACHED STORAGE REPLACEMENT	9,424	15,000	5,576	62.83%
Total for Information Handling		67,293	74,000	6,707	90.94%
Special Projects					
245.26	LAND ACQUISITION- BATTERY SITE	-	200,000	200,000	0.00%
Total for Special Projects		-	200,000	200,000	0.00%
System Construction - New Customers					
121.26	PURCHASE OF METERS	-	300,000	300,000	0.00%
63.26	PURCHASE OF REGULAR METERS	18,459	-	(18,459)	100.00%
64.26	CUSTOMER ADDS TO THE DISTRIBUTION SYSTEM	1,179,433	2,400,000	1,220,567	49.14%
65.26	PURCHASE OF TRANSFORMERS	587,112	2,000,000	1,412,888	29.36%
246.26	ACQUIRE FUTURE SUBSTATION SITES - CLARK ADDITION	-	500,000	500,000	0.00%
Total for System Construction- New Customers		1,785,004	5,200,000	3,414,996	34.33%
System Construction - Reliability & Overloads					
TRANSMISSION PROJECTS					
207.26	COMPLETE BPA B-F #1 TAP TO RAILROAD AVE	632,413	2,400,000	1,767,587	26.35%
SUBSTATION PROJECTS					
70.26	SCADA UPGRADES- SUBSTATIONS (FOSTER WELLS) BAY 1 & 2	-	60,000	60,000	0.00%
148.26	VOLTAGE REGULATORS UPGRADES	-	400,000	400,000	0.00%
73.26	REPLACE OBSOLETE BREAKER RELAYS (FOSTER WELLS BAY 2)	-	300,000	300,000	0.00%
224.26	ADD BAY 2 TO COURT ST SUB	-	600,000	600,000	0.00%
247.26	BATTERY REPLACEMENT UPGRADE FOSTER WELLS	-	100,000	100,000	0.00%
253.26	FOSTER WELLS RADIATOR VALVE LEAK	114,950	-	(114,950)	100.00%
255.26	PALOUSE JUNCTION INTERCONNECTION	264,473	-	(264,473)	100.00%
DISTRIBUTION PROJECTS					
67.26	UNDERGROUND CABLE REPLACEMENTS	137,353	600,000	462,647	22.89%
72.26	MISCELLANEOUS SYSTEM IMPROVEMENTS	600,867	1,000,000	399,133	60.09%
103.26	CONVERT OH/UG- CITY OF PASCO	-	100,000	100,000	0.00%
254.26	TAYLOR FLATS SWITCH CABINET CUT-INS	281,129	-	(281,129)	100.00%
CHP.26	ELECTRIC PROPERTY DAMAGE	74,467	100,000	25,533	74.47%
Total for System Construction- Reliability & Overloads		2,105,652	5,660,000	3,554,348	37.20%

Public Utility District No. 1 of Franklin County
2026 Capital Budget by Project
Percent of Year Elapsed: 42%

Category	Project Description	Year to Date May 2026	2026 Budget	\$ Remaining in Budget	% Spent
Vehicles					
	248.26 TRAILER FOR 3-WIRE RACK	-	13,000	13,000	0.00%
	249.26 FOREMAN TRUCK (2)	-	370,000	370,000	0.00%
	250.26 ROCK PICK FOR MINI	20,290	16,500	(3,790)	122.97%
	251.26 SERVICE BUCKET - REPLACE 123	-	225,000	225,000	0.00%
	228.26 MECHANIC SHOP TRUCK	113,584	-	(113,584)	100.00%
	230.26 TRANSFORMER SHOP F350	105,829	-	(105,829)	100.00%
	229.26 MAINTENANCE TRUCK - DODGE 2500	97,071	-	(97,071)	100.00%
	252.26 AUTOMATIC FLOOR SCRUBBER AUTO SHOP	5,215	-	(5,215)	100.00%
Total for Vehicles		341,989	624,500	282,511	54.76%
Grand Total		\$ 5,017,823	\$ 14,305,424	\$ 9,287,601	35.08%

May 27, 2026

**Franklin PUD Combustion Turbine (CG) Facility
Summary for file**

From Commission to File

The purpose of this memo to file is to provide a summary of the failure and subsequent reclamation of the Pasco Ct site. Specifically, the purpose of this memo is to provide guidance for future PUD decisions.

1990's – Electrical industry was deregulated allowing companies to buy and trade energy future pricing. The Enron scandal of 2000-2001 threw the energy market into turmoil causing all utility providers to scramble to obtain adequate resources. Often utilities made immediate purchases to secure power any way possible. This is true for Franklin PUD who made the decision to cover our power deficit with a single cycle gas turbine.

March 27, 2001 – the PUD found itself in a short term power deficit that they were unable to cover in the open market due to the turmoil and chaos from the Enron scandal. Later in 2001 the PUD would become a slice customer with the potential of not having enough power during summer and winter peaks. The PUD had negotiated a contract for short-term power needs from the Fredrickson gas fired power plant however that power would not be available until late 2002.

At the March 2001 Commission meeting, staff presented to the Franklin PUD Commission a proposal to build a single cycle gas fired power plant. That plant construction was approved and it was ultimately completed in late December 2001. The consultant on the project, Power Resource Managers, estimated a \$20M expense for the plant and suggested that the plant would “recoup all costs in the first 1.5 to 2 years”.

The plant never operated commercially nor below open market costs. By 2010 the plant was found to be not operational and not cost effective to repair. The plant operated less than 700 hours in its entire life and had over 500 starts.

Commission Findings – Several things led to the failure of the CT plant. These items, not listed in any priority, are listed here for the sole purpose of advising future staff and Commission on the short sighted decisions that were made so we can learn from this situation for future decisions.

- 1) The PUD did not have a strategic plan in place that would have correctly identified long-term power needs nor long-term power resources.
- 2) The PUD allowed a short term deficit of power to drive power purchases (in this case construction of a CT plant) that were poor choices driven by the “urgent” situation.

- 3) A single cycle gas plant was chosen likely because it was the only option available for a short-term construction. A single cycle CT plant only had a possible 20-30% efficiency.
- 4) The selection for equipment was a GE 10 model. This General Electric model was developed during the energy crises of the 90's using GE's known and tested gas compressors and gas generators. However, GE hastily developed the ceramic transition piece between the compressor and generator. The GE-10 was sold as a "peaker" meaning it could ramp up quickly to meet power spikes. However, the GE transition piece was made with a ceramic liner that was meant to power up and run for long periods of time. As the ceramic transition piece heated and cooled small pieces of ceramic would break off and run through and damage the generator.
- 5) The Pasco CT plant was meant to run for short periods of time. However, during its operation it rarely was able to bring all 4 units to the grid at the same time. Additionally, this type of plant was never designed to be a peaker.
- 6) Commission made a short-sighted decision based upon poor information, including Power Resource Managers indicating that the power sales from this plant could "recoup the expenses in the first 1.5 to 2 years". This plant could never have had such financial returns given its ability to function at 20-30% efficiency.
- 7) When the plant did not function as designed or as proposed by GE, the PUD should have never taken final delivery or made final payment. Due to the drop in the need for the power, it "appears" that staff just gave up on starting up the plant.
- 8) The PUD entered into a "take or pay" gas contract for a plant that couldn't run. The PUD continued to pay on that gas contract until 2010.
- 9) Staff recognized that the plant was not practical or able to function likely as soon as possibly 2004 or even earlier, but continued to pay for the gas and an operator until 2010.

Conclusion –

A long-term strategic plan could have led the PUD to make better decisions on this plant. It is clear that a short-term crises caused short sighted decisions to be made by many involved in this situation.

Compiled by Commissioner Roger Wright

Combustion Turbine (CT) Site Timeline

In September 2023, the Commission directed staff to document a timeline of the events surrounding the Pasco Combustion Turbine. Below are the actions as documented in the District's minutes.

March 27, 2001: Mr. Bickford, Assistant General Manager, presented the Board with the possibility of purchasing a single cycle turbine to cover our power deficit from October 2001, when the slice agreement becomes effective and the date the CT in Tacoma will be online. Mr. Parrish, Power Resource Managers (PRM), explained that expenses of approximately \$20 million should be recouped in the first 1 ½ to 2 years. There is a possibility of partnering with Grays Harbor PUD, as their power deficits occur in different months than ours. Lamb Weston has expressed their interest in utilizing the heat generated by the CT. Mr. Sugden, General Manager (GM) asked for Board approval to investigate the possibility of purchasing a single cycle turbine further.

Commissioner Bailie moved and Commissioner Cochrane seconded to authorize PRM to conduct a feasibility study for a single cycle turbine at a not to exceed cost of \$10,000. Motion passed. Commissioner Lathim voted no.

April 10, 2001: Mrs. Harp explained that the District must cover power deficits from October 2001, when the Slice agreement takes effect, and September 2002, when the CT in Tacoma will be on line. A feasibility study was completed by PRM to aid in the decision to purchase two 11 MW simple cycle CTs to cover the power deficits. Mr. Dennis Perish from PRM presented the findings of the feasibility study.

Due to the time restrictions, the District would need to declare an emergency and waive the public bidding requirements of RCW 54.04.070.

Commissioner Bailie moved and Commissioner Cochrane seconded to adopt Resolution No. 872, adopting Exigency Measures and waiving the public bidding requirements of RCW 54.04.070. Motion passed. Commissioner Lathim voted no.

Commissioner Bailie moved and Commissioner Cochrane seconded to authorize the Manager to negotiate contracts with Pacific Energy System and Power System Engineers. Both contractors have been selected by staff to have the necessary qualifications and experience. Motion passed. Commissioner Lathim voted no.

Commissioner Bailie moved and Commissioner Cochrane seconded to authorize payment to General Electric (GE) Power Systems in the amount of \$1,151, 100 – 15% of the total cost of \$7,674,000. Motion passed. Commissioner Lathim voted no.

May 8, 2001: The District has embarked on the construction of two 11 MW CTs in Franklin County. In order to provide additional diversity and reliability to these two turbines, Grays Harbor PUD desires to build two identical units adjacent to the Franklin PUD turbines. The Memorandum of Understanding (MOU) will clarify responsibilities for maintenance and operations funding of the four turbines.

Commissioner Lathim moved and Commissioner Bailie seconded to authorize the Manager to sign the MOU between Franklin PUD and Grays Harbor PUD. Motion passed unanimously.

Ms. Harp suggested to name the project “Franklin/Grays Harbor Generating Project” and to name the substation “Oregon Street Substation”. Commissioners agreed.

Mr. Bickford informed the Commissioners about the purchase of two circuit switchers at \$90,000 and four voltage coupling capacitors for \$17,600 for the CTs. He suggested amending the resolution 872, which declared an emergency and waived bidding requirements to allow purchases for the CT without board approval. Commissioner Cochrane requested to receive a running tally of the purchases relating to the CT.

Commissioner Lathim moved and Commissioner Bailie seconded to amend resolution no. 872 to include engineering, purchases, and installation of the CT as well as all ancillary equipment that are associated with the construction of the CT, including the electric substation. Motion passed unanimously.

May 25, 2001:

Christine Pihl explained that Bank of America is loaning Franklin PUD up to \$20 million for the CT Project. The term of the loan is three years and the interest rate will be about 66% of the prime rate. At the current prime rate of 7%, our interest rate would be 4.62%. Interest is payable monthly beginning July 1, 2001. The District anticipates paying the loan with proceeds of the project, but we have the option of taking out the note with Revenue Bonds. The terms allow the District to make incremental draws on the note until October 1, 2001, at which time the note will be fully drawn. The interest rate is variable with an option to fix the rate at any time during the life of the note. The note is a junior lien to payment of the District’s operating expenses and outstanding bonds.

Commissioner Lathim moved and Commissioner Bailie seconded to approve Resolution 877 which establishes a line of credit and provides issuance and sale of an electric system revenue bond anticipation note of the District in the aggregate principal amount of not to exceed \$20,000,000 to evidence the line of credit; and providing the form and terms of the note. Motion passed unanimously.

June 12, 2001:

Mr. Bickford explained, Franklin and Grays Harbor PUD entered into a MOU to cooperatively install and operate four 11 MW CTs. The proposed task order provides PRM’s assistance and analyses to aid and expedite the installation of the turbines along with the ancillary equipment and fuel supply necessary to provide full operational units at the selected site. 50% of the cost of this task order will be billed to Grays Harbor PUD.

Commissioner Bailie moved and Commissioner Lathim seconded to authorize the Manager to sign Task Order 18, Support to Installation of Small CTs, with PRM for

a not to exceed cost of \$90,000 of which 50% will be billed to Grays Harbor PUD. Motion passed unanimously.

June 26, 2001: Mr. Sugden explained land lease discussions with Balcom & Moe to secure a site for the small combustion turbine began about a month ago. The agreement includes a lease for 20 acres with the obligation to purchase just over five acres once the land is rezoned industrial. We would enter into a farm management agreement with Balcom & Moe for 14 acres. After purchase, 80% of the lease payments would be refunded. The lease agreement is expected to take effect July 1, 2001. Mr. Sugden gave a brief update on the status of permits.

Commissioner Bailie moved and Commissioner Lathim seconded to authorize the Manager to sign the Lease Agreement with Balcom & Moe and Grays Harbor PUD in its substantial form. Motion passed unanimously.

July 10, 2001: We are leasing the property from Balcom & Moe, which does not own the mineral rights. The owner of the mineral rights has approached us to sell his mineral rights to us and is threatening to hold up the permit process if we are not interested in purchasing the rights. After talking to our attorney, staff came to the conclusion paying for the minerals and mineral rights is the most expedient way to deal with this matter.

Turbines are being stored at the Moses Lake Airport. Catalyst has been expedited. We have entered into an agreement to receive an estimate from Williams for the hot tap and gas line. The air permit has been filed. We will be meeting with IGI to finalize a letter of intent for gas supply. Commissioner Cochrane inquired about the construction schedule. Tice will build the transmission line and the substation and we are currently negotiating a final contract. Fire insurance has been secured for the turbines while in storage. Current cost estimate for turbines is \$31,800,000.

Commissioner Cochrane inquired about the financing of the small CT. Ms. Dolan is talking to our financial advisor as the return of capital is not as quick as initially expected.

July 24, 2001: Mr. Sugden explained we have gone out for proposals on the gas commodity and transportation for the 22 MW CT project. PRM gave a presentation on how much gas to contract for on a take or pay basis. PRM recommended that a portion of our gas supply be fixed in price and amount and the rest be purchased on the spot market. PRM also recommended a 3-year Fuel Service Agreement with IGI/BP.

Ms. Harp gave a brief update on the small CT. Site preparation is scheduled to begin first part of August. Request for bids for civil, mechanical and electrical contract work have been mailed. Williams Gas Pipeline staff will be viewing the site to begin engineering the hot tap and gas line, July 26. Dept. of Ecology has agreed to provide a letter agreeing with construction prior to receiving the air permit. Conditional Use Permit is scheduled to be approved July 30. We are negotiating final contracts with Grays Harbor PUD.

Ms. Dolan reported we have drawn \$6,139,200 on bond anticipation note for the CT project. Our interest rate is 66% of prime. Prime is currently 6.75% making our interest rate 4.46%. In June prime was 7% and our interest rate was 4.62%.

August 14, 2001: Ms. Harp explained, the letter of intent provides firm transportation on the Spokane Lateral and on the Northwest Pipeline south of Sumas from November 1, 2001 through October 31, 2001. She furthermore explained components of transportation and commodity and transportation billing components. A formal agreement will follow.

Commissioner Bailie moved and Commissioner Cochrane seconded to approve Resolution No. 885, approving a Letter of Intent for gas supply and transportation and definitive agreement with IGI. Motion passed. Commissioner Lathim voted no.

August 28, 2001: Mr. Bickford presented the Board with an updated copy of the cash flow relating to the Small CT project. The foundations are poured and the air permit is advertised. Commissioners discussed the gas supply for the Small CT.

September 11, 2001: Mr. Bickford gave a brief update on the Small CT project: two turbines are set, electric generators are on site, gas prices are still on the decline. Commissioners discussed the small CT project, power supply, power purchases, and transmission.

Mr. Bickford continued with his update on the Small CT Project: Budget has gone up to \$34 million, which includes a 4% contingency. Williams Gas Pipeline has told us that they are working diligently to meet our aggressive schedule. Air permit was noticed on August 31, giving the public a 30-day period to voice their opinion. Re-zoning activities will be complete in October. We are in the final process of drafting an operating agreement with Grays Harbor PUD.

September 25, 2001: Mr. Bickford reported on the Small CT Project: Most of the equipment is located at the site. GE is doing repair work on the turbines. Williams Gas Pipeline will be ready on November 1. The 30-day comment period on our air permit will conclude on September 29. No comments have been received. Staff is working on finalizing the agreement with Grays Harbor PUD. Mr. Sugden suggested setting up a site visit for the Commissioners.

October 9, 2001: Mr. Bickford reported on the CT Project: GE still working on modifying turbines. Industrial Design and Construction (IDC) is confident that the turbines will be online in November.

October 23, 2001: Mr. Bickford gave an update on the CT project. We met with GE about delivery of components. Gas delivery is on schedule for November 1. Commissioners inquired about the increase in budget for the CT Project. Staff explained unforeseen components of the project and assured the project is reliable and that IDC has done an excellent job of keeping the project on track.

November 13, 2001: Sue Harp gave an update on the CT project. The first test start-up is scheduled for Friday, November 16 if the GE parts arrive. GE has agreed to pay for loss of revenue

due to the delay. Mr. Baker visited the site today and is impressed with the building site. We hired two operators to operate the small CT. Dave Harris and Dave Reed have gone through operator training. Mr. Sugden asked Commissioner to mark December 12 as a tentative date for the CT dedication ceremony.

December 1, 2001: Series 2001 Tax Exempt Revenue and Refunding bonds are issued. \$9,000,000 of proceeds are used to repay the BAN/Line of Credit. (Source: 2001 Bond Official Statement)

December 11, 2001: Mr. Sugden reported that construction is almost complete. GE is completing some work and will have two people on site through January. The first three units have been fired and carried full load for 8 hours. Unit 4 is scheduled to fire for the first time today and should be producing electricity by the end of this week. We are working on a joint agreement with Grays Harbor, which mitigates our risk in the event of turbine failure and will bring that agreement to the Board in January.

Ms. Ryckman reported the CT dedication is scheduled for tomorrow. We scheduled a bus to take visitors to the site. The bus will leave the Doubletree hotel at 1:00 p.m.

December 31, 2001: As of today, \$14,500,000 (District portion) is spent on the Pasco CT Project. (Source: 2001 Financial Statements)

January 8, 2002: Ms. Harp gave a brief update on the small CT. Environkinetics is still working on some modifications. We have asked IDC to come back to coordinate work and to keep GE on our site. In an effort to train our operators and work out any minor problems, Ms. Harp proposed to run the turbines. Based on the current market, if we ran the turbines right now, we would lose about \$100 per hour. Ms. Harp provided a breakdown of gas priced to power sales. Del encouraged staff to try to secure payment from GE as it was their fault that the project was delayed. Mr. Palmer assured Commissioners that IDC and Ms. Harp are keeping track of all expenses.

Ms. Harp explained the proposed agreement memorializes the principles to cost-share and risk-share and provides for operation and maintenance activities relating to the four 11-MW turbine generators. It also establishes the District to be the lead to coordinate construction activities and operation. Mr. Palmer explained, another important part of this agreement is that it sets an operating committee.

Commissioner Lathim moved and Commissioner Bailie seconded to authorize the Manager to sign the Franklin PUD/Grays Harbor PUD Joint Development Agreement. Motion passed unanimously.

January 14, 2002: GM Sugden executes Contract 2872 – Pasco Generation Facility Project Development Agreement between Franklin and Grays Harbor PUD. (Contract referenced Sept 2001 but not signed until January 2002).

February 12, 2002: Mr. McMaster reported the CTs are being tested to determine which components are not performing well. EKI recognized that they have to put a bigger motor to the catalyst to improve emissions readings. He also shared that ICD is working on

- software to forward data to PRM so that PRM can schedule and manger output from the CT.
- March 5, 2002: Ms. Harp provided the Commissioners with actual costs-to-date relating to the Franklin/Grays Harbor Generating Plant with Franklin's share totaling \$16.3 million. Commissioners discussed the issues that have lead to the delay of project.
- March 12, 2002: Mr. Sugden reported that he met with GE on CT related issues on March 6 and 7, 2002. GE committed to sending a person to work on our CT and arranged for daily conference calls.
- The transmission service agreement addresses the maintenance, ownership, and transmission of power from the Pasco/Grays Harbor CT project and was negotiated in good faith between Franklin and Grays Harbor PUD, Mr. McMaster explained.
- Commissioner Lathim moved and Commissioner Bailie seconded to authorize the Manager to sign the Transmission Services Agreement between Franklin and Grays Harbor PUD in substantially the form presented. Motion passed unanimously.
- March 26, 2002: Mr. McMaster provided an update on the CT site: Environkinetics will be forwarding modification equipment to improve the emission readings within the next 2-3 weeks. GE is about 95% complete with their punch list. We are running the units from time to time to make sure all issues are addressed. GE will provide a certain amount of spare parts in exchange for the delay.
- April 9, 2002: Ms. Harp shared that the CT site final emissions test is scheduled for May 20, 2002. We are currently testing the turbines. We are working on purchasing gas from the Benton PUD through PRM. Mr. Sugden suggested to invite Clay Riding, PRM to talk about the gas market.
- April 23, 2002: Ms. Harp reported that Small CT modifications are being made on one of the units to improve airflow and to decrease the temperature.
- August 1, 2002: Commercial Operation of Pasco CT plant commences.
- December 1, 2002: Series 2002 Tax Exempt Revenue and Refunding Bonds are issued. \$8,500,000 of proceeds are used to repay the BAN/Line of Credit.
- December 31, 2002: \$5,400,000 spent in 2002 bringing total project spending to \$19,900,000 for the District's portion. *(Source: 2002 Financial Statements)* Final amount capitalized to generation plant was \$18,200,000 *(Source: 2003 Financial Statements)*
- February 11, 2003: Mr. Adams reported all four CT units are now operational.
- May 13, 2003: Natural Gas Purchase and Sale Base Contract with IGI is signed.
- July 22, 2003: Ms. Harp explained that the original land purchase agreement with Balcom & Moe included water. The District paid for and drilled a well for the plant's operational purposes. While applying for water rights, we were informed that a legal transfer could not happen due to the urban growth boundary and family farm law. Ms. Harp

suggested entering into a lease with Balcom & Moe that would give us the option of purchasing the water rights for \$1 when the property is included in the urban growth boundary or if the family farm law changes in the future.

Commissioner Gordon moved and Commissioner Bailie seconded to authorize the Manager to sign the water rights lease. Motion passed unanimously.

Commissioner Lathim inquired about the Pasco CT. Mr. Adams stated that GE is currently installing upgrades and performing some tests relating to the vibration problems in unit 2.

- January 13, 2004: Commissioner Gordon inquired about the status on the CT Plant. Mr. Adams explained that we are working with GE to fix the problems that occurred during the extremely cold weather.
- April 13, 2004: Mr. Adams reported that General Electric is at the CT site doing some repairs. Unit 1 was operated for testing from 2:00-3:00 pm on April 12, 2004.
- July 27, 2004: Mr. Riding reviewed why the project was built as a result of the conditions prevalent at that time and also presented a list of current market conditions and project obligations.
- September 14, 2004: Ms. Ryckman reported the Manager of Grays Harbor PUD agreed to increase the maintenance run time of the turbines at the Pasco CT plant to four hours per month.
- April 25, 2006: Commission authorizes staff to contract with Pacific Energy Systems to determine options for the plant – sale or conversion to cogeneration facility.
- June 2, 2006: Contract 3781 is signed with Pacific Energy Systems to perform 4 tasks: (1) Fatal Flaw review; (2) Potential Purchasers/Developers; (3) RFPs for Sale; (4) Negotiations. Contract to terminate on 12/31/2007.
- May 26, 2009: An operator's meeting was held with Grays Harbor PUD and all are satisfied with the progress being made. North American Energy Services (NAES) found a temporary operator and pushed back the "full operation" date from June 1 to July 1. Mr. Gutmann believes that when called upon, the CT should be able to run with all four turbines.
- June 23, 2009: NAES found that the Grays Harbor bank of batteries was starting to deteriorate at the CT site so they are changing out the batteries. NAES also found that three out of four Woodward drives on each turbine would need to be rebuilt; they may not meet the July 1, 2009, operational date.
- July 28, 2009: It was discovered that the Pasco CT batteries were not working; many new batteries have been obtained and several are on order. Yesterday, the site ran 3 out of 4 turbines. The CT not operating lost one of its Woodward drives and a replacement is not easily obtained as they are outdated. The District and NAES are trying to find a replacement.

- August 25, 2009: Operations had difficulty in getting a Woodward drive to replace the non-working one at the CT site but one was finally located and installed on August 7. They tested and intended to run the CT on August 10 for 8 hours, but as they started it, they got a call from The Energy Authority (TEA) who asked them to continue to run it for margin, so it ran all day and on the next day. The CT site is now running all four units on an on-call basis.
- September 22, 2009: GE is at the CT site this week to map the turbines and perform a tune-up. Following that, an AmTest, which was last done in 2001, will test and certify the CT emissions are within limits.
- January 26, 2010: Mr. Gutmann introduced Mr. Dave Reed, Substation Electrician/Foreman, to provide the Commission an update on the combustion turbine (CT) project. Mr. Gutmann reported that last week the District met with Grays Harbor PUD, a partner in the CT project, and NAES Corporation, the contract operator, to review the budget and the maintenance and repair issues that continue to arise with the CT project.
- Mr. Brost recalled that in April of 2009, the District contracted with NAES to make the CT plant operational, and how the project was not proceeding as well as the District expected.
- Mr. Reed reported that there were many problematic issues with the project. Mr. Reed reported that the Operator is doing a good job and working hard to get the plant running. However, the difficulties include that the plant is over ten years old, it is hard to find parts and hard to repair parts, and the plant sat idle for a long time prior to the recent efforts.
- Mr. Sargent reported that since the NAES contract started in 2009, there has been concern regarding the lack of timely response. Mr. Sargent also noted that environmental issues added to the complexity of problems. Environmental testing determined evidence of contaminants, which resulted in a prohibition against running the CT plant. Mr. Sargent reported that right now all four units would start; however, we cannot run the units for power until the environmental issues are resolved.
- Mr. Reed added that we have until July to complete corrections for the environmental issues, and we are looking into getting a second environmental testing firm before July 1, 2010, thinking that the first test may have been inaccurate. He reported that two days ago another one of the SCADA computers crashed, and that they are out of date, difficult to repair and it is hard to get parts.
- Mr. Brost added that it is not yet clear whether the District will renew the contract with NAES, which expires in April 2010. Discussion ensued on the value of continuing to try to repair the plant, and if the investment will outweigh the value.
- Mr. Brost reported that the team would come back to the Commission with a recommendation in the near future.

- March 9, 2010: Mr. Gutmann reported that Operations is currently preparing for the second round of emissions testing at the CT plant; all four turbines started and ran last week, but until we pass emissions, we can run only for testing. A different company is conducting a second round of emissions testing, and it could be two to three weeks after testing is completed before we find out if we passed. He also shared that the NAES contract expires April 6, 2010, and the District has negotiated a month-to-month extension until we determine the plant's future.
- April 27, 2010: Commissioner Gordon asked Mr. Gutmann about the Pasco CT emissions testing, and Mr. Gutmann reported that it looks positive, but the written report is not back yet.
- May 11, 2010: Mr. Gutmann reports that last Thursday, all four turbines were up and running at the Pasco CT site. He shared that the environmental issues are resolved, the Department of Ecology signed off on the testing. Mr. Brost added a reminder that the District has a contract with NAES on a month-to-month basis, and staff will soon bring a recommendation to the Commission regarding future operations staffing.
- June 8, 2010: Mr. Gutmann reported that he contacted NAES regarding the CT plant, and advised them that the District would let the operation and maintenance contract expire on July 6, 2010. Additionally, we will offer the District's CT operator position to the current NAES operator.
- July 27, 2010: Mr. Gutmann reported that the CT ran for two days this month, firming up the wind generation. He reported that three of four turbines ran, with one under repair. Commissioner Gordon asked how long it took to get the plant up and running and Mr. Gutmann reported that it takes about 20 minutes to get up to speed, and an hour to shut down.
- Ms. Boomer reported that the energy prices were up while the CT ran this month, so it was a profitable run.
- September 28, 2010: Mr. Wright asked how often the CT plant will run in 2011. Mr. Nies responded that several variable conditions affect how often the CT plant will run and therefore, it is not possible to predict with any degree of accuracy. While the CT plant has not run very often since its installation, wind integration needs suggest a greater need in the future.
- October 26, 2010: Mr. Gutmann reported that the Pasco CT Plant recently had operational issues and we are investigating the material failures discovered. He reviewed the extent of the damage that has been identified in all four units, and discussion ensued. Mr. Palmer added some information to the discussion regarding the potential for insurance coverage due to mechanical failure. A conference call with Grays Harbor is scheduled for Friday to consider next steps. The Commissioners expressed frustration and concern with the Plant.
- December 14, 2010: Mr. Brost reported that the District scheduled a meeting with Grays Harbor PUD and GE for January 18. The meeting will be to discuss the CT plant and to request GE

assistance with resolving the CT plant problems. Commissioner Gordon asked when the District approached GE about this meeting and Mr. Brost responded that it was a week ago last Friday.

- January 25, 2011: Mr. Gutmann reported that the Pasco CT review continues. He reported on the interaction between the District and GE in relation to the CT operations, and how GE's initial response was not very positive. He reported that the meeting here with GE and Grays Harbor representatives on January 18, 2011 was more positive and that after the CT tour, it appeared that GE might have changed their previous assessment of the situation. The GE representatives informed the District that another branch of GE would need to be involved, and made a commitment to get back to the District in early February. Mr. Brost specified that the District requested that GE pay the cost of the replacement of the transition pieces to correct the problems. Some discussion ensued.
- February 22, 2011: Mr. Brost updated the Commission on the latest developments with the Pasco CT Plant, and his most recent discussion with a representative from GE. He reported that GE Packaged Power was not amenable to discussions of responsibility regarding the CT component failures. Mr. Brost discussed this with the Grays Harbor PUD General Manager, Mr. Lovely, and they agreed to correspond directly with GE's Packaged Power Division from which the District purchased the turbines. Mr. Brost advised the Commission that staff is not ready to present a recommendation for the Commission until there has been discussion with GE Packaged Power and further research of options. Discussion ensued.
- April 26, 2011: Mr. Brost reported on the status of the communication with GE regarding the Pasco CT Plant and noted that GE declined responsibility for the CT plant equipment problems. He also indicated that the GE Oil & Gas component of the company is willing to assist with further repairs at the District's cost. Mr. Brost discussed several different options that the District had considered but all had their positives and negatives, and likelihoods of success. He indicated that he would be back to the Commission with a recommendation after further review of options. Discussion ensued. Commissioner Wright recommended that the District investigate pursuing legal action against GE in order to recover some of the District's lost investment.
- May 10, 2011: Mr. Palmer reported that he is researching the matter of General Electric accountability for equipment failures of the CT Plant and will continue to pursue the matter.
- June 28, 2011: Mr. Palmer reported that he spoke to an attorney in Texas who is experience in GE challenges. Staff submitted a substantial amount of documentation to the attorney and expects to have an opinion on the District's position in the matter by late July. Mr. Palmer noted that Mr. Brost had spoken to a party potentially interested in purchasing the turbines. While unable to secure a land purchase in the area, the party may still be interested in purchasing the turbines. Pending a result of the inquiry with GE and the attorney's analysis, staff will pursue disposition of the turbines.

July 12, 2011: Mr. Palmer reported that the attorney he contacted about the matter is reviewing the engineering information regarding equipment failures of the CT Plant and he expects to have an assessment within weeks. Staff has contacted bond counsel regarding the impact elimination of the project may have on the District.

September 27, 2011: Mr. Palmer reported that since last month's discussion and decision to prepare to move forward with the possible surplus of the Pasco CT plant, he: discussed the matter with Grays Harbor, who were not quite as far along in the process as we; determined that both utilities will schedule public hearing in October; discussed the hiring of a consultant with Grays Harbor legal, and they concurred, the consultant estimated costs at \$5,600 plus expenses; contracted with the consultant to evaluate the value of, and assess the disposal options available for the CT Plant. The consultant will have a report to the District in time for the next commission meeting; will attend the Grays Harbor public hearing scheduled for October 17; and will bring a 'next steps' proposal for discussion at the October 25 Commission meeting.

October 25, 2011: Mr. Palmer introduced the agenda item, 'Opening a public hearing to surplus the District's interest in the Pasco CT Plant equipment, Closing the hearing, and Adopting a resolution finding the equipment surplus and Authorizing the GM or his designee to proceed with disposition', giving a brief history on the CT Plant and joint ownership with Grays Harbor PUD.

Mr. Palmer introduced Mr. Reed, the District's Substation Electrician Foreman, who reported on the performance of the turbines. Mr. Reed confirmed that since the CTs became operational, they have operated only a small number of hours.

Mr. Palmer reported that the estimated cost to attempt repair of the transition piece in both turbines is between \$312,000 and \$480,000; the estimated cost to replace both transition pieces is \$1,110,000. The anticipated expenses that would need to be incurred to remedy the transition pieces, together with the potential for future repair expenses led the PUDs to the conclusion that further repairs and continued operation of the CT is not financially practicable.

Discussion ensued, and the Commission and staff agreed that lack of reliability as well as lack of need were drivers to declare the Plant equipment surplus. Moreover, the high potential for repair costs, combined with the lack of warranty after repair, led the District to conclude that it is appropriate and timely to surplus the CT Plant equipment.

Staff recommended that the Commission find the District's two gas-fired CTs and related equipment no longer necessary, material to, or useful to the District's electrical system, and as such determine that the turbines and equipment are surplus to the District's needs.

Further discussion ensued regarding the detail of equipment proposed for surplus, and the Commission requested staff to develop a detailed list of inventory for

surplus. The Commission also agreed with staff to take steps to keep the operating license for the CT plant active until such time as disposition is determined.

Staff recommended that after hearing no public comment and after Commissioner review and discussion, the Commission close the public hearing and adopt Resolution 1173, finding the District's interest in the Pasco Combustion Turbine Plant equipment surplus, and authorizing the General Manager or his Designee to proceed with disposition.

Commissioner Gordon closed the public hearing.

Commissioner Wright moved and Commissioner Nelson seconded to adopt Resolution 1173 as presented, and for staff to develop a separate, detailed list of inventory to surplus, to be provided at the next meeting. The motion passed unanimously.

The Commission further requested that staff begin to prepare terms to solicit for a managed sale of the surplus property, and to research an auction of the surplus property. Mr. Palmer indicated that we would continue to coordinate closely with Grays Harbor PUD on this matter.

- November 8, 2011: Mr. Borst reported that District staff drafted a list to identify CT Plant-related equipment, and he shared the draft list. He reported that the list would be verified with Operations, and the staff most well acquainted with the CT, and Mr. Palmer will bring a finalized list back to the next regular meeting. There was some discussion about how to proceed with the sale, and Mr. Borst indicated that the process has begun, but will continue to develop over the next few months, as we work with Grays Harbor PUD to manage the sale process. Mr. Booker offered his perspective on how best to approach a sale, noting that there could well be an international market for the CT-related equipment.
- December 13, 2011: Mr. Palmer reported that he completed the compilation of the "Master List, CT Plant Inventory" and passed out the list for the Commission. He sent out six requests for proposals to entities that do the type of sale that we are expecting for the CT Plant. Grays Harbor PUD wants to hold a public meeting at our facility on January 26, 2012. He will get information to the Commissioner in early January regarding disposition options and vendors. The goal is to authorize the General Manager to execute a contract at the January 24, 2012 meeting.
- January 24, 2012: Mr. Palmer introduced the agenda item, 'Authorizing the GM or his designee to execute a contract with Axford Turbine Consultants LLC for Consultant Services related to the sale of the Pasco CT Assets', reporting on the District's progress in preparing to sell the Pasco Combustion Turbine Plant (Pasco CT Plant). The District and Grays Harbor PUD (Grays Harbor) each own two GE-10 gas turbine generator sets located at the Pasco CT Plant. By Resolution No. 1173, adopted in October 2011, the District declared its two GE-10 gas turbine generator sets and related equipment surplus. Grays Harbor is in the process of declaring its two turbine

generator sets and other interest in the Pasco CT Plant surplus. The turbine generator sets and related inventory (identified on the "Master List, CT Plant Inventory" provided to the Commission at the December 13, 2011, regular meeting) are collectively referred to as "Pasco Combustion Turbine Assets. "

Staff solicited proposals from consultants to assist in the sale of the four GE-10 gas turbine generator sets and related equipment. The District received three proposals, and staff had follow-up communication with each of the three consultants in order to clarify the proposals submitted.

Attachment A to the Agenda Item is a spreadsheet titled "Summary of Proposal Responses," summarizing the salient points from the proposals. Of particular importance to staff is the information set out in item 1 (experience selling combustion turbine generator sets) and items 2, 3, & 4 (the financial costs associated with selling these turbines). Axford Turbine Consultants LLC has a substantial amount of experience with marketing and selling combustion turbine generator sets, and their fees are the lowest of the three proposals.

Staff recommended that the Commission authorize the GM or his designee to execute a contract with Axford Turbine Consultants LLC for consultant services related to the sale of the Pasco CT Assets.

Commissioner Wright expressed his preference for Axford. Commissioner Nelson expressed his preference also for Axford. Commissioner Gordon expressed his preference for the consultant that had a relationship with a local auction house, which was not Axford.

Commissioner Wright moved and Commissioner Nelson seconded to authorize the General Manager or his designee to execute a contract with Axford Turbine Consultants LLC for consulting services related to the sale of the Pasco Combustion Turbine Assets. The motion passed 2-1 , with Commissioners Nelson and Wright voting in favor and Commissioner Gordon voting as opposed.

Commissioner Wright recommended that the District request monthly progress reports from Axford once the contract is executed. Mr. Palmer noted that he would follow up on that request.

February 28, 2012: The contract for services to facilitate disposition of the CT plant has been executed, and a flyer from the contractor's website advertising the CT plant for sale was shared. The contractor indicated that there had been several inquiries. Mr. Palmer asked any inquiries be forwarded to him and he would forward on to the contractor.

March 27, 2012: Mr. Palmer reported that the efforts continue on disposition of the CT plant. Axford has distributed the fact sheet to about forty companies; three have expressed interest by contacting Axford.

- April 24, 2012: Mr. Palmer reported that the CT plant continues to bring interested parties, though none has yet culminated in an offer. In the last two weeks, two new interested parties have contacted the broker for information, and another has made inquiries.
- June 26, 2012: Mr. Brost reports for Mr. Palmer that there are still two parties interested in the CT Plant, and both are still considering both the equipment and the site.
- August 28, 2012: Mr. Palmer reported that there is a new party interested in the Pasco CT, and in response to their request, they will view the CT site tomorrow.
- October 23, 2012: Mr. Palmer reported there is continued activity on the proposed sale of the Pasco CT, and that recently there were two new inquiries. He noted that while the District has not received any written proposals, there is continued interest, often more interest in the site than the turbines.
- October 22, 2013: Mr. Brost reported the District received a signed Term Sheet from a Portland buyer, GE was on site last week working on getting the CT units running, and three did run. A liner was installed in one unit. A previously interested buyer in New York has not been back in touch with the District.
- March 26, 2013: Mr. Palmer reported that the District continued to negotiate with a potential purchaser for the CT plant and more information should be available at the next Commission meeting. Another interested party will likely be visiting the CT site in the new few weeks. Mr. Brost asked the Commissioners if they would consider modifying the terms of the existing option agreement. The Commissioners indicated they were open to seeing the specific changes being proposed, however, any changes would have to benefit the District customers.
- November 12, 2013: Mr. Palmer reported that there has been progress on disposition of the CT Plant, and testing has been successful; three of four units ran at last testing and more testing is planned for December. Energy Northwest is planning to visit the CT site this week.
- January 28, 2014: Mr. Palmer introduced the agenda item to authorize the General Manager (GM) to execute a one-year contract extension with Axford Turbine Consultants LLC for consultant services related to the sale of the Pasco Combustion Turbine Assets. Commissioner Wright moved; Commissioner Nelson seconded. The motion passed unanimously.
- In addition, Commissioner Wright moved and Commissioner Nelson seconded to authorize the GM or his designee sign an Agreement in Principle with a potential interested buyer. The motion passed unanimously.
- November 10, 2014: Mr. Palmer reported that proposed modifications to the purchase and sale agreement for the disposition of the Pasco CT have been received and are being reviewed.
- December 9, 2014: Mr. Palmer reported that two contractors visited the Pasco CT site to assess the feasibility costs of relocating the Pasco CT equipment. He noted that proposed

modifications to the purchase and sale agreement continue to be exchanged with the potential buyer.

- July 28, 2015: The GM and staff from Grays Harbor PUD and District staff met to discuss the options available to dispose of the CT. Mr. Palmer reported that there was discussion on expanding the search for a buyer to include international prospects. He noted that GE requested an offer for the purchase of one of the four turbines. He noted staff continues to pursue all options for disposing of the CT.
- Commissioner Wright reported he had visited Axford Consultants webpage. He noted he had struggled to find the webpage and information on Axford Consultants and the CT. He requested if there was value in utilizing another consultant to facilitate the sale of the CT. Discussion ensued.
- July 24, 2018: Mr. Palmer reported that the potential sale of the Pasco CT is still pending. He noted that an onsite visit was completed and provided an update.
- November 12, 2019: Mr. Rhees reported that staff is working with two potential buyers for the Pasco CT site. He noted that both buyers have expressed great interest in the Pasco CT and that staff will continue to pursue both options and keep the Commission informed.
- December 10, 2019: Mr. Rhees reported that staff continues to work with the potential buyer of the Pasco CT site. He noted that an agreement has been tentatively reached and he reviewed the provisions in the tentative agreement. He reported that staff is working with Grays Harbor PUD staff. He noted that an agreement has been drafted and a deposit has been obtained. The Commission was pleased with the preliminary information and concurred with staff's actions and authorized Mr. Scott to proceed with the disposition of the Pasco CT. Commissioner Wright requested that staff also research the land and scrap value of the Pasco CT site.
- November 10, 2020: Mr. Rhees reported that agreeable sale terms have been reached with the buyer. He noted that Grays Harbor is also in agreement with the sale terms. He noted the sales agreement should be finalized soon and that staff will continue to work on the schedule to begin moving the turbines. Mr. Rhees reported that the buyer will provide some reclamation of the land.
- January 26, 2021: Mr. Scott introduced the agenda item to authorize the GM to execute a one-year contract extension with Axford Turbine Consultants LLC. He noted that staff is still pursuing the current tentative sale but at this time, there was no executed agreement in place and extending the agreement was prudent. Commissioner Wright moved; Commissioner Gordon seconded to authorize an extension beginning February 2, 2021, to February 1, 2022. The motion passed unanimously.
- August 24, 2021: Mr. Rhees reported that staff continues to work with the buyers for the Pasco CT. He noted that another party has expressed interest in the units and have requested a site visit. He noted that staff will continue to pursue all options.

October 26, 2021: Mr. Rhees reported that staff will work with the Port of Pasco on the possible substation at the Pasco CT site. He also reported that the potential buyers of the Pasco CT have not fulfilled their payment obligations. He noted that the buyer continues to express interest in the purchase and that staff is working with them to the extent possible.

January 25, 2022: Mr. Rhees reported that the disposition of the Pasco CT is on track.

February 22, 2022: Mr. Rhees reported that the buyer for the Pasco CT has completed the removal of the purchased parts and he provided a brief update on the upcoming steps to complete the contract.

March 22, 2022: Commissioner Wright asked for a brief update on the sale of the Pasco CT and Mr. Rhees noted that all equipment has been removed and staff is working with Grays Harbor PUD to ensure all the other terms of the purchase agreement are followed by the buyer.

April 26, 2022: Mr. Rhees reported that the disposition of the Pasco CT is coming to an end. He noted that final payment is expected soon.

May 10, 2022: Commissioner Nelson asked for an update on the Pasco CT and Mr. Rhees noted that he was confident the transaction would be successfully completed.

July 26, 2022: Mr. Rhees reported that the Pasco CT sale was completed. He reported that one of the two transformers that remained on the site has also been sold and anticipates having the second transformer sold in the future as well. There was general discussion on the Pasco CT site land.

December 13, 2022: Mr. Rhees reported that staff received the appraisal for the Pasco CT property and noted that he will forward the information to Grays Harbor PUD for further discussion.

May 23, 2023: Mr. Rhees reports that he continues to have discussions with Grays Harbor PUD on the purchase of the property at the CT site. He noted that the value of the property and the remediation costs are still being discussed. The Commission noted that District staff has done extensive work towards the liquidation of the assets at the site. Mr. Rhees reported that there is still a lot of work that needs to be done if the property is sold. He noted that the final transformer has been sold and is being removed next month and reported that is the last asset of value at the site.

August 22, 2023: Mr. Rhees reported that the purchase agreement for the property located at 8618 N Railroad Avenue with Grays Harbor PUD was executed, and noted the final agreed upon purchase price was \$350,000. He reported that Grays PUD has 15 days from the day of the agreement execution to transfer their ownership of the property.

September 26, 2023: Mr. Whitney reported that the deed for the Railroad Avenue substation site land had been successfully recorded with the Franklin County Auditor's office. He noted that the water rights are still being finalized.