

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

MINUTES OF THE AUGUST 25, 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 August 25, 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; and Jessica Marshall, Executive Assistant.

Those who participated from the public via remote technology or in person for all or part of the meeting were Tim Nies, District customer; and a member of the public.

OPENING

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

PUBLIC COMMENT

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

COMMISSIONER REPORTS

Commissioner Wright reported that:

- He spoke with former District Commissioner Mr. Nelson yesterday evening.
- He shared a book he is reading, *Nuclear Implosions, The Rise and Fall of the Washington Public Power Supply System*.
- He reviewed recent staffing changes at Energy Northwest.
- He was contacted by a customer regarding an outage that occurred over the weekend.

Commissioner Torres reported that:

- He attended the PPC and PNUCC meetings in Boise and reviewed takeaways from those meetings.
- He attended the State Auditor's Office exit conference regarding the District's Accountability audit for January 1, 2025 through December 31, 2025.

- He met with B5, a non-profit organization serving the Tri-Cities, and reviewed takeaways from the meeting.

Commissioner Gordon reported that:

- He held a brief discussion with fellow Commissioners regarding Energy Northwest and the history of the Participants Review Board (PRB).

CONSENT AGENDA

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

MOTION PASSED UNANIMOUSLY.

- 1) To approve the minutes of the July 28, 2026 Regular Commission Meeting.
- 2) To approve payment of expenditures for July 2026 amounting to \$11,776,711.84 as audited and certified by the auditing officer as required by RCW 42.24.080, and as reviewed/certified by the General Manager/CEO as required by RCW 54.16.100, and expense reimbursement claims certified as required by RCW 42.24.090 and as listed in the attached registers and made available to the Commission for inspection prior to this action as follows:

Expenditure Type:	Amounts:
Direct Deposit Payroll – Columbia Bank	\$ 586,724.90
Wire Transfers	8,212,798.15
Automated and Refund Vouchers (Checks)	1,387,348.53
Direct Deposits (EFTs)	1,593,757.52
Voids	(3,917.26)
Total:	\$11,776,711.84

- 3) To approve the Write Offs in substantially the amount listed on the August 2026 Write Off Report totaling \$2,947.02.

AGENDA ITEM 5, APPROVING CHANGES TO DISTRICT ADMINISTRATIVE POLICY 16, PURCHASING APPROVAL AND PAYMENT AUTHORITY

Ms. Fulton introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. A red-lined draft of the policy was included as Attachment A in the Commission packet.

A brief discussion was held on the District's fuel card process and revisions to the policy.

Motion by Commissioner Torres, seconded by Commissioner Wright approving District Administrative Policy 16, Purchasing Approval and Payment Authority with the revisions as

presented.

MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 6, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO APPROVE THE UTILIZATION OF THE OMNIA PARTNERS CONTRACT EV2370 FOR THE PURCHASE OF LIEBERT AIR-COOLED SYSTEMS FROM GRAYBAR ELECTRIC, INC.

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

Motion by Commissioner Wright, seconded by Commissioner Torres authorizing the General Manager/CEO or his designee to approve the utilization of the OMNIA Partner Contract EV2370 for the purchase of two Liebert PDX air-cooled systems from Graybar Electric, Inc., for a not-to-exceed amount of \$129,431, plus applicable Washington State sales tax.

MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 7, DISCUSSING DISTRICT ADMINISTRATIVE POLICY 27, AUDITORIUM PUBLIC USE

Mr. Fuentes introduced the agenda item and reviewed the background information as reported in the Agenda Item Summary included in the meeting packet. Mr. Fuentes reviewed staff's recommendation to continue limiting the use of the auditorium to internal use only and reviewed public rental facilities located near the District offices, including the Mid-Columbia Library and City of Pasco facilities.

The Commission held a discussion regarding the policy. The Commission expressed its desire to maintain a policy that allows public use of the auditorium in some capacity. The Commission directed staff to return to a future Commission meeting with a revised draft policy that includes limitations on rental hours and potential revisions to the damage deposit requirements.

MANAGEMENT REPORTS

GENERAL MANAGER/CEO

Mr. Fuentes reported that:

- Staff have begun internal budget discussions and plan to present the preliminary 2027 budget to the Commission during the September 22, 2026 Commission meeting. Mr. Fuentes noted the preliminary 2027 budget reflects a projected deficit and reviewed the factors contributing to the projected deficit including but not limited to the renewed water outlook from BPA, projected revenue growth, and increased labor costs. Mr. Fuentes reviewed potential options, including adjustments to the water outlook and moving the planned May 2027 rate increase to January 2027. A discussion was held on the District's days cash on hand and rate stabilization fund. Staff recommended convening the Rate Advisory committee to review available data and return to a future Commission meeting with a recommendation from the rate advisory

committee as well as additional information regarding budget considerations. The Commission concurred with staff's recommendation.

- There is a need to hold the October 13, 2026 regular Commission meeting. The Commission confirmed their availability.
- Staff have reached an agreement with NoaNet regarding the amended agreement for Network Coordinated Services.
- A reminder was provided regarding the Joint Special Meeting with the Port of Pasco and Big Bend Electric Cooperative scheduled for September 24, 2026.

FINANCE & CUSTOMER SERVICE DIRECTOR

Ms. Fulton reported that:

- She reviewed a handout that provided data on the District's top eleven customers based on the number of employees per average megawatt (aMW).
- The June KPIs were included in the Commission packet, and she reviewed pertinent slides from within the report.
- The State Auditor's Office has completed its audit regarding the District's compliance with the energy conservation requirements of the Energy Independence Act for the period of January 1, 2024 through December 31, 2025. Ms. Fulton noted the exit conference has been scheduled for today and Commissioner Gordon will attend on behalf of the Commission.
- Staff continue to participate in BPA's Transmission initiatives, one of which is the TC-27 Tariff Proceeding focused on reforming how BPA evaluates, processes, and manages transmission service requests. Ms. Fulton noted that Transmission will be the focus of the October 13, 2026 Commission meeting.
- Staff are working with Powerex on a new contract that would be effective upon the expiration of the current contract. She and Mr. Johnson have been invited to meet with Powerex staff in person to finalize the details. She will return to a future Commission meeting with a recommendation for consideration.
- For her audit, Ms. Fulton reported that staff performed an audit on a line item from the July 2026 Warrant Register included in the Commission packet.

ENGINEERING & OPERATIONS DIRECTOR

Mr. Hay reported that:

- He reviewed the June KPIs for Operations and Engineering, which were included in the Commission packet.
- He provided updates on the District's fuel costs and the continued internal meter audit.
- Crews have replaced the poles damaged from the Devil's Canyon fire.
- He reviewed the cause of the outage that occurred in the Redd Substation area this past weekend. The outage was caused by damage to a transmission pole. The outage lasted approximately four hours. A customer contacted Commissioner Wright

regarding the outage, and a brief discussion was held concerning the frequency of outages in that area and the reasons for them.

ASSISTANT GENERAL MANAGER

Mr. Ferraro reported that:

- He has participated in wildfire mitigation meetings.
- The District received three responses to its Request for Proposal (RFP) for a facilities assessment. Staff will review the proposals and return to a future Commission meeting with additional information.
- Staff have completed the interview process for the System Engineer position.
- Staff attended the quarterly Trustee UIP meeting.

PUBLIC INFORMATION OFFICER

Ms. Viera reported that:

- The District hosted an event during the Mid-Columbia Library's Summer Reading Challenge Finisher Party, which was held on August 12, 2026 and was well attended. Ms. Viera reviewed feedback received from library staff and parents.
- The District was the luncheon sponsor for the August Pasco Chamber of Commerce luncheon. During the meeting, she had an opportunity to speak about the District's internship program and shared the internship video.
- Staff met with representatives from the Department of Commerce Energy Resilience Technical Assistance Program and the Federal Grant Assistance Writing Program. She noted that both meetings provided valuable information and resources and allowed staff to make introductions for future opportunities.
- She attended the Northwest RiverPartners meeting on August 5, 2026, and reviewed updates shared regarding the Our Power is Water campaign.
- A federal bill titled "Protecting Columbia River Salmon Act of 2026" was introduced in July 2026. She briefly reviewed contents of the bill and will continue to monitor its progress.
- The District is hosting a Programs and Services fair in the auditorium on September 8, 2026, from 9:00 a.m. to 5:00 p.m.
- The District's Employee Appreciation Luncheon will be held on Tuesday, September 15, 2026 at 11:30 a.m. The Board of Commissioners were invited to attend.
- Riverfest will be held on October 3, 2026, from 10:00 a.m. to 3:00 p.m. at Columbia Park in Kennewick.
- For her audit, she reviewed District Policy 36, Identity Theft Prevention Program, and identified processes within the policy that require updates. Staff are in the process of revising the policy.

EXECUTIVE ASSISTANT

Ms. Marshall reported that:

- She will be out of the office for a few days next week.

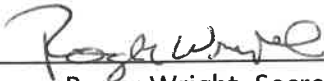
With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 10:08 a.m. The next regular meeting will be September 22, 2026 and begin at 8:30 a.m. The meeting will be at the District's Auditorium located at 1411 W. Clark Street, Pasco, WA. Remote technology options will be provided for members of the public to participate.



William Gordon, President



Pedro Torres, Jr., Vice President



Roger Wright, Secretary