

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

MINUTES OF THE SEPTEMBER 22, 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 September 22, 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 Tyson Fellman, Rate Advisory Committee member; and Michael Miller, 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.

RATE ADVISORY COMMITTEE RECOMMENDATION AND PROPOSED RATE ACTION DISCUSSION

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

Mr. Fellman, representing the Rate Advisory Committee (RAC), presented the committee's recommendation to the Board of Commissioners following the RAC meeting held on September 17, 2026. The committee recommended scenario two.

Mr. Fuentes reviewed the two proposed rate action scenarios presented to the committee. Scenario one would maintain the existing 3% rate increase for 2027, with the effective date moved from May 1, 2027, to January 1, 2027. Scenario two would increase rates by 4.7% while maintaining the May 1, 2027 effective date.

The Board of Commissioners held a discussion on the two rate action scenarios presented, and the drivers for the proposed rate action.

Following discussion, the Commission authorized staff to initiate public hearings in order to communicate information on the two proposed rate action scenarios, and requested staff return to a future Commission meeting to continue review and discussion of the two scenarios.

Motion by Commissioner Wright, seconded by Commissioner Torres to initiate public hearings to communicate information on the District's proposed rate action.

MOTION PASSED UNANIMOUSLY.

COMMISSIONER REPORTS

Commissioner Wright reported that:

- He virtually attended the September PPC Member Forum.
- He briefly reviewed takeaways from recent Energy Northwest Board of Directors meetings.
- He attended the September WPUDA Association meetings and reviewed takeaways from the committee meetings.

Commissioner Gordon reported that:

- He attended a meeting at the Franklin County Historical Society and Museum.
- He attended a tour of the Grimmway Produce Group facility located off Dieterich Road in Pasco, WA.

Commissioner Torres reported that:

- He attended the September WPUDA Association meetings, September PPC meetings, and the Connell Fall Festival. A brief discussion was held regarding topics addressed at those meetings.

CONSENT AGENDA

Commissioner Gordon posed a question to Mr. Fuentes regarding two WPUDA invoices. Mr. Fuentes reported that one invoice was for recurring monthly WPUDA dues, and the second was a one-time assessment to fund corrective actions identified in the 2025 Facility Condition Assessment Report related to ongoing water intrusion at the WPUDA building. He noted that the one-time assessment was based on the percentage of the WPUDA budget paid by that member.

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

MOTION PASSED UNANIMOUSLY.

- 1) To approve the minutes of the August 25, 2026 Regular Commission Meeting.
- 2) To approve payment of expenditures for August 2026 amounting to \$17,024,125.06 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	\$ 578,027.95
Wire Transfers	13,725,922.38
Automated and Refund Vouchers (Checks)	1,438,467.17
Direct Deposits (EFTs)	1,284,670.26
Voids	(2,962.70)
Total:	\$17,024,125.06

- 3) To approve the Write Offs in substantially the amount listed on the September 2026 Write Off Report totaling \$2,526.24.
- 4) To approve expenditure for a conservation contract with Darigold Inc., Contract 10807 for Industrial Refrigeration Upgrades in the amount of \$120,000.00.

AGENDA ITEM 6, OPENING THE 2027 BUDGETS PUBLIC HEARING, PRESENTING THE PRELIMINARY 2027 OPERATING AND CAPITAL BUDGETS, AND RECESSING THE PUBLIC HEARING

Commissioner Gordon opened the public hearing for the 2027 Operating and Capital Budgets and called for public comment. There was none provided. He called on Ms. Fulton for presentation of the agenda item.

Ms. Fulton gave a presentation and reviewed the process used to develop the preliminary 2027 Operating and Capital Budgets, as well as the timeline for review and adoption. Ms. Fulton explained the factors and rationale used for the amounts in the preliminary 2027 Operating and Capital Budgets (Attachments A and B of the Agenda Item); which reflect scenario two of the proposed rate action. She reviewed the 2027 Operating Revenues and Expenses, Power Supply, Labor & Benefits, Other Operating Expenses, and Non-Operating Items. Mr. Hay reviewed the projects included in the 2027 Capital Budget.

There was discussion regarding departmental budget meetings held with staff, the District's days cash-on-hand, bank fees, and the proposed rate action. Ms. Fulton noted that the power forecast budget numbers will be updated in November. Staff reviewed their recommendation.

Motion by Commissioner Wright, seconded by Commissioner Torres to recess the 2027

Operating and Capital Budget public hearing to the October 27, 2026 Regular Commission meeting.

MOTION PASSED UNANIMOUSLY.

Commissioner Wright reviewed NoaNet's financial summary, which was presented during the September NoaNet Board of Directors meeting, and a brief discussion was held.

At 10:00 a.m., Commissioner Gordon called for a recess and reconvened the regular meeting at 10:08 a.m.

AGENDA ITEM 7, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF STEEL SINGLE POLES AND H-FRAME STRUCTURES

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 finding TransAmerica Power Products the lowest responsive bidder and authorizing the General Manager/CEO or his designee to execute Contract 10800, Purchase of Steel Single Poles and H-Frame Structures with TransAmerica Power Products, for a not to exceed amount of \$515,316, plus applicable sales tax.

MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 8, DISCUSSING A REVISED 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. A brief discussion was held on the updated rental fee and deposit.

Motion by Commissioner Torres, seconded by Commissioner Wright approving District Administrative Policy 27, Auditorium Public Use as presented.

MOTION PASSED UNANIMOUSLY.

MANAGEMENT REPORTS

GENERAL MANAGER/CEO

Mr. Fuentes reported that:

- The District's Joint Special meeting will be held on Thursday, September 24, 2026, at the Port of Pasco, and will include representatives from the Port of Pasco and Big Bend Electric Cooperative.
- He will be traveling next week to participate in an Industrial Symbiosis Tour. Mr. Fuentes reviewed attendees from Washington State who will be participating and discussed the collaboration with the Port of Pasco, which secured funding through the

Washington Climate Commitment Act to conduct a market analysis for a similar industrial park. He noted that the Port of Pasco was one of two pilot locations in Washington studying this concept.

- He attended a PUD General Manager meeting and reviewed topics discussed during the meeting.

Commissioner Torres requested the Board of Commissioners discuss the General Manager/CEO goal setting process, a topic that was addressed during the WPUA Association meetings. Commissioner Wright reviewed the process and timeline with the Commission.

FINANCE & CUSTOMER SERVICE DIRECTOR

Ms. Fulton reported that:

- She reviewed pertinent slides from the August KPIs, which were included in the Commission packet.
- Staff plan to provide a Transmission workshop during the October 13, 2026 regular Commission meeting. A brief discussion was held regarding BPA's Transmission Initiative, TC-27.
- She and Mr. Johnson will meet with Powerex representatives in person to finalize details of a new contract.
- For her audit, she reported that staff continue to conduct an internal audit of the District's small and attractive assets and implement related policy updates.

ENGINEERING & OPERATIONS DIRECTOR

Mr. Hay reported that:

- He reviewed the August KPIs for Operations and Engineering, which were included in the Commission packet.

ASSISTANT GENERAL MANAGER

Mr. Ferraro reported that:

- He gave an update on the building security project.
- He provided a brief update on the facilities feasibility study.
- The cutover for the building's power upgrade project was completed, and he expressed appreciation to Fulcrum Electric, LLC for its work on the project.

A brief discussion was held regarding whether the District has explored the use of drones for power line inspections. The District currently does not have a need to utilize drones for this purpose, but staff will evaluate in the future should a need arise.

PUBLIC INFORMATION OFFICER

Ms. Viera reported that:

- The District's LinkedIn account has been successful over the last year, with increased followers and engagement.

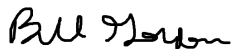
- A Pasco School District (PSD) student recently had the opportunity to job shadow a lineman crew, and she reviewed the student's feedback. Ms. Viera also reported that the District will host PSD high school students on October 13, 2026. Students will have the opportunity to engage with staff and tour the Operations site.
- The District ran a S'mores Summer Savings Giveaway, offering customers an opportunity to win by completing energy-savings actions such as enrolling in paperless billing, creating a SmartHub account, or signing up for a residential energy audit. The winner of the giveaway was featured in the most recent Hotline newsletter.
- The District's Programs & Resource Fair was held on September 8, 2026, in the District's auditorium. The event was well attended, and she noted positive feedback was received from customers and vendors who participated.
- The Public Affairs team received positive feedback regarding the Employee Appreciation luncheon.
- RiverFest will take place on October 3, 2026 from 10:00 a.m. – 3:00 p.m.
- Public Power week is scheduled for October 4-10, 2026.
- The Public Affairs team has launched a Christmas Helping Hands Wagon fundraiser to increase funds in the Helping Hands Program.
- For her audit, she reported that staff are updating the procedures on how to properly capture text messages from a personal device for public records to align with current District practices.

Legal Counsel

Mr. Whitney reported that:

- He provided brief updates on the Ruby Flats project.

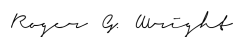
With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 11:11 a.m. The next meeting of the Board of Commissioners will be a special meeting on September 24, 2026, at 12:00 p.m., to be held in person at the Port of Pasco. The next regular meeting will be October 13, 2026, and will 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