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

MINUTES OF OCTOBER 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 October 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; Brian Johnson, Power Manager, Chad Schow, IT Manager, Terry Cruz, Senior IT Systems Administrator, 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 Isaac Kastama, Principal Lobbyist and Adan Espino, Jr., Associate Lobbyist with Water Street Public Affairs, Tim Nies, District customer, 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.

AGENDA ITEM 3, DISCUSSING PROPOSED UPDATES TO THE DISTRICT'S RULES AND REGULATIONS FOR ELECTRIC SERVICE AND SEEKING DIRECTION ON A PROPOSED RATE ACTION FOR INCORPORATION INTO RATE SCHEDULES
Ms. Fulton introduced the agenda item and reviewed the information as reported on the Agenda Item Summary included in the meeting packet. Ms. Fulton reviewed the recommended changes and additions to the District's Rules and Regulations.

Ms. Fulton reported that no public comment had been received regarding the two proposed rate action scenarios. She noted that staff's recommendation was for the Commission to select Scenario 2, which provides for an overall rate revenue increase of 4.7% to be effective

on May 1, 2027, and aligns with the Rate Advisory Committee's recommendation.

Commissioner Wright stated his support for Scenario 2 and recommended that the Commission move forward with the scenario, noting that it could potentially result in more levelized future rate increases and aligns with the District's guiding principle of maintaining low, stable rates.

Motion by Commissioner Wright, seconded by Commissioner Torres directing staff to incorporate rate Scenario 2, reflecting an overall rate revenue increase of 4.7% to be effective on May 1, 2027 into the District's Rate Schedules, and to return to the November 10, 2026 Commission meeting with the revisions to the District's Rules and Regulations for final review and consideration of adoption.
MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 4, 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 that included a summary of the 2026 legislative session, Bills from 2026 to be continued, the November 3rd General election, and information on the upcoming legislative session. There were questions and discussions throughout the presentation.

Mr. Kastama informed the Commission that he also participated in the recent Industrial Symbiosis Tour with Mr. Fuentes and briefly reviewed takeaways from the tour. A brief discussion was held on the tour.

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

Mr. Kastama and Mr. Espino left the Commission meeting.

AGENDA ITEM 5, IT CYBERSECURITY UPDATE
Commissioner Gordon welcomed Mr. Schow and Mr. Cruz.

Mr. Schow provided an IT Cybersecurity Update presentation that included a review of IT support, an Artic MDR Wolf Update, the District's recent cyber security assessment, and the KnowBe4 security awareness training and phishing results from 2021 through August 2026. There were questions and discussions throughout the presentation.

The Commission thanked Mr. Schow and Mr. Cruz for attending the Commission meeting.

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

COMMISSIONER REPORTS

Commissioner Torres reported that:

- He attended the PPC Forum of Utility Elected Leaders (FUEL) meeting on October 15, 2026.
- He attended the annual Tri-Cities Hispanic Chamber of Commerce Gala on October 16, 2026.
- He participated in a WPUDA ad hoc committee meeting regarding the mentorship program for new Commissioners. This group is working to refine the WPUDA mentorship program.
- He virtually attended a court hearing on October 20, 2026 regarding the Columbia River System.
- He met with Mr. Fuentes and Ms. Fulton to receive education regarding the Climate Commitment Act.

Commissioner Wright reported that:

- He was unable to attend the recent NoaNet Board of Directors meeting but provided a brief update on topics discussed during the meeting.
- He attended the Energy Northwest Board meetings and Public Power Forum. He noted that the Energy Northwest Participants Review Board was unable to reach a quorum for its meeting.

Commissioner Gordon reported that:

- He also attended the Energy Northwest Board meetings and Public Power Forum and reviewed takeaways from the meeting.

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 October 13, 2026 Regular Commission Meeting.

AGENDA ITEM 8, RE-OPENING THE 2027 BUDGETS PUBLIC HEARING, PRESENTING THE UPDATED 2027 PRELIMINARY OPERATING AND CAPITAL BUDGETS, AND RECESSING THE PUBLIC HEARING

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

Ms. Fulton presented the 2027 Operating Budget Crosswalk and 2027 Capital Budget by Project (Attachment A and B of the Agenda Item). She reported that there were no updates to the 2027 preliminary Operating and Capital budgets.

Motion by Commissioner Wright, seconded by Commissioner Torres to recess the 2027 Operating and Capital Budgets public hearing to the November 10, 2026 Regular Commission Meeting.
MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 9, AUTHORIZING THE GENERAL MANAGER/CEO TO EXECUTE AN ENABLING AGREEMENT WITH BONNEVILLE POWER ADMINISTRATION (BPA) CONVERTING THE DISTRICT'S TRANSMISSION CONTRACT FROM THE POINT-TO-POINT(PTP) PRODUCT TO THE NETWORK INTEGRATION TRANSMISSION (NT) PRODUCT
Ms. Fulton introduced the agenda item and reviewed the information as reported on the Agenda Item Summary included in the meeting packet.

The Commission thanked Mr. Johnson for his presentation during the October 13, 2026 Commission meeting.

Motion by Commissioner Torres, seconded by Commissioner Wright to authorize the General Manager/CEO to execute an enabling agreement with Bonneville Power Administration (BPA) to convert the District's Transmission Contract from the Point-to-Point (PTP) Product to the Network Integration Transmission (NT) Product.
MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 10, REPORTING ON THE USAGE OF FUNDS RECEIVED THROUGH THE AUCTION OF NO-COST CARBON ALLOWANCES AWARDED THROUGH THE CLIMATE COMMITMENT ACT
Ms. Fulton introduced the agenda item and reviewed the information as reported on the Agenda Item Summary included in the meeting packet. Staff noted this was a report only and no action was required.

The Commission requested that staff return to a future Commission meeting for further discussion regarding potential public outreach efforts to inform customers of available energy assistance funding.

AGENDA ITEM 11, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF PAD-MOUNTED TRANSFER SWITCHGEAR
Mr. Hay introduced the agenda item and reviewed the information as reported on the Agenda Item Summary included in the meeting packet.

Motion by Commissioner Torres, seconded by Commissioner Wright to find the bids submitted by Border states, General Pacific, and Stuart Irby non-responsive and authorize the General Manager/CEO or his designee to execute Contract 10753 with Wesco/Anixter, the lowest responsive bidder, for the purchase of pad-mounted transfer switchgear, for a not to exceed amount of $235,122, plus applicable Washington State sales tax.
MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 12, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF PRIMARY UNDERGROUND CABLE

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

Motion by Commissioner Wright, seconded by Commissioner Torres to find the bid submitted by MVA Power non-responsive and authorize the General Manager/CEO or his designee to execute Contract 10738 with Wesco/Anixter, the lowest responsive bidder, for the purchase of primary underground cable, for a not to exceed amount of $2,472,415, plus applicable Washington State sales tax, tariffs, supplier costs, and currency fluctuations.
MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 13, AUTHORIZING THE GENERAL MANAGER/CEO OR HIS DESIGNEE TO EXECUTE A CONTRACT FOR THE PURCHASE OF THREE PHASE PAD-MOUNTED TRANSFORMERS

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

Motion by Commissioner Torres, seconded by Commissioner Wright to authorize the General Manager/CEO or his designee to execute Contract 10805 with General Pacific, the lowest responsive bidder, for the purchase of three phase pad-mounted transformers, for a total not to exceed amount of $731,699, plus applicable Washington State sales tax.
MOTION PASSED UNANIMOUSLY.

AGENDA ITEM 14, DISCUSSING THE PROPOSED 2027 REGULAR COMMISSION MEETING SCHEDULE

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

Staff will return to a future Commission meeting with a recommendation for Commission review and consideration.

MANAGEMENT REPORTS

GENERAL MANAGER/CEO

Mr. Fuentes reported that:

- He provided updates regarding the District's 2026-2027 Operating Plan.
- He provided an update on the surplus property located between Argent Road and Interstate 182 in Pasco, WA and noted that he will continue to provide updates at future Commission meetings as information becomes available.
- He attended Energy Northwest's Public Power Forum.
- He will be attending the annual trade association meetings next week in Portland, OR.

FINANCE & CUSTOMER SERVICE DIRECTOR

Ms. Fulton reported that:

- The September KPIs were included in the Commission packet, and she reviewed pertinent slides from within the report.
- BPA is currently holding a series of public workshops to review potential revisions to their risk mitigation and reserves policies. A brief discussion was held on these policies and a credit the District received a few years ago due to this policy.
- She and Mr. Johnson met with Powerex representatives to finalize details of a new contract. Staff plan will return to a future Commission meeting with a recommendation for Commission review and consideration
- Standard & Poor's (S&P) issued an updated rating report for the District. S&P revised the District's outlook from positive to stable while maintaining its A+ rating. She reviewed the report with the Commission and noted the potential for a future visit to San Franscico to meet with S&P representatives.

Mr. Nies provided a public comment to staff requesting reasoning for the revised outlook.
Ms. Fulton provided Mr. Nies with a response.

ENGINEERING & OPERATIONS DIRECTOR

Mr. Hay reported that:

- He reviewed the September 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.
- The Big Pasco Substation is currently offline due to damage caused by theft of copper grounding wire. Staff have communicated with the Police Department and area utilities, some of which have experienced similar incidents. A contractor is scheduled to be onsite this week to replace the grounding wire.

ASSISTANT GENERAL MANAGER

Mr. Ferraro reported that:

- He reviewed the September KPIs for IT, Broadband, and the Fiber-to-the-Home Project, which were included in the Commission packet. He noted that he will return to a future Commission meeting with photos and a project recap.
- He provided updates on current facilities projects.
- The District's benefits open enrollment period will begin November 2, 2026.
- The Milliman Salary Survey has been received, and staff plan to bring the District's Salary Administration Plan to a future Commission meeting for review and consideration.
- He attended a CWPU meeting in September and reviewed takeaways from the meeting.

PUBLIC INFORMATION OFFICER

Ms. Viera reported that:

- She virtually attended the Northwest RiverPartners Board meeting and reviewed key takeaways from the meeting.
- She attended the Pacific Northwest Waterways Association (PNWA) Inland Power & Navigation Group (IPNG) annual meeting and reviewed discussions from the meeting. She also listened to the October 20, 2026 court hearing regarding the Lower Snake River Dams litigation, which was also reviewed during the PNWA/IPNG annual meeting.
- Pasco High School's Career Exploration Day was held at the District on October 13, 2026, with eight students in attendance. Ms. Viera reviewed the agenda and activities from the day.
- There are plans for an upcoming classroom engagement project with students at Orion High School and Pasco High School. She noted that she will return to a future Commission meeting with an update on the project.
- For her audit, she reported that the Washington State Office of the Attorney General has released revisions to the Public Records Act Model Rules on Public Disclosure. Staff are currently reviewing the revisions and incorporating applicable changes into the District's Records Management and Public Records Requests policies.
- Staff are working on a Helping Hands fundraiser and bringing back the Helping Hands Red Wagon Christmas Raffle. The raffle will run from November 9, 2026, through December 21, 2026. Staff will begin promoting the raffle and will share information about the District's Helping Hands program and eligibility requirements. Employees will also have the option to contribute through payroll deduction.

LEGAL COUNSEL

Mr. Whitney reported that:

- He provided an update on the Ruby Flats project, and a brief discussion was held.

With no further business to come before the Commission, Commissioner Gordon adjourned the regular meeting at 11:36 a.m. The next regular meeting of the Board of Commissioners will be on November 10, 2026, 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