AGENDA
BENTON COUNTY PUBLIC UTILITY DISTRICT NO. 1
REGULAR COMMISSION MEETING

Tuesday, September 8, 2026, 9:00 AM
2721 West 10th Avenue, Kennewick, WA

The meeting is also available via MS Teams
The conference call line (audio only) is:
1-323-553-2644; Conference ID: 359 861 969#

1. **Call to Order**
2. **Pledge of Allegiance**
3. **Agenda Review**

4. **Resolution No. 2735 – Authorizing the Issuance and Sale of Electric Revenue and Refunding Bonds, Series 2026 – Jon Meyer / Keith Mercer** pg. 3

5. **Public Comment**
(Individuals desiring to provide public comment during the meeting on items relating to District business, whether in person or remotely will be recognized by the Commission President and provided an opportunity to speak. Comments are limited to five minutes. Public Comment can also be sent to the Clerk of the Board in advance of the meeting at commission@bentonpud.org. Guidelines for Public Participation can be found on the Benton PUD District website at https://www.bentonpud.org/About/Commission/Meeting-Agendas-Minutes.)

6. **Treasurer's Report** pg. 66

7. **Approval of Consent Agenda**
(All matters listed within the Consent Agenda have been distributed to each member of the Commission for reading and study are considered routine and will be enacted by one motion of the Commission with no separate discussion. If separate discussion is desired by any member of the Commission, that item will be removed from the Consent Agenda and placed on the Regular Agenda by request.)

Executive Administration
a. Minutes of Regular Commission Meeting of August 25, 2026 pg. 70
b. Travel Report dated September 8, 2026 pg. 75

Finance
c. Vouchers dated September 8, 2026 pg. 77

Operations/Engineering
d. Jobs Report (Work Orders up to $100,000) pg. 95
e. WO# 729619 –Tyler Tapani, west of KID main canal pg. 100
f. WO# 751335 – Farm Cable Replacement, Goose Ridge Vineyard pg. 102

Power Management
g. Conservation Rebate Report for 2nd quarter 2026 pg. 104

(To request an accommodation to attend a commission meeting due to a disability, contact dunlapk@bentonpud.org or call (509) 582-1270, and the District will make every effort to reasonably accommodate identified needs.)

COMMISSION AGENDA ACTION FORM

Meeting Date:	September 8, 2026	
Subject:	Resolution No. 2735 Authorizing the Issuance and Sale of Electric Revenue and Refunding Bonds, Series 2026	
Authored by:	Keith Mercer	Staff Preparing Item
Presenter:	Jon Meyer / Keith Mercer	Staff Presenting Item (if applicable or N/A)
Approved by:	Jon Meyer	Dept. Director/Manager
Approved for Commission:	Rick Dunn	General Manager/Asst GM

Type of Agenda Item:	**Type of Action Needed:** *(Multiple boxes can be checked, if necessary)*	
☐ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☒ Business Agenda	☒ Pass Resolution	☐ Info Only
☐ Public Hearing	☐ Contract/Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion to adopt Resolution No. 2735 authorizing the issuance and sale of Electric Revenue and Refunding Bonds, Series 2026, to finance capital improvements to the District's electric system; refund certain outstanding bonds of the District; fixing the form and covenants of the 2026 Bonds; and delegating authority to designated representatives to approve the final terms of the 2026 Bonds.

Background/Summary

Staff will be joined virtually by the District's Bond Counsel, Stacie Amasaki, of Foster Garvey PC, the District's Underwriter, Robert Wong of RBC Capital Markets, and the District's Financial Advisor, Dick Schober of Piper Sandler & Co.

The District developed a Strategic Capital Plan to develop a 21st Century Power Grid which included the following:

- Building and upgrading transmission lines to improve reliability and safety
- Building and upgrading substations to modernize protection and controls, replace aged infrastructure and to provide electrical capacity to meet steady customer growth and economic development activities
- Distribution improvements to increase operational visibility through automation, replace aged infrastructure and ensure adequate capacity for customer growth and contingency operations

Purpose and Amount of the 2026 Bond Issue

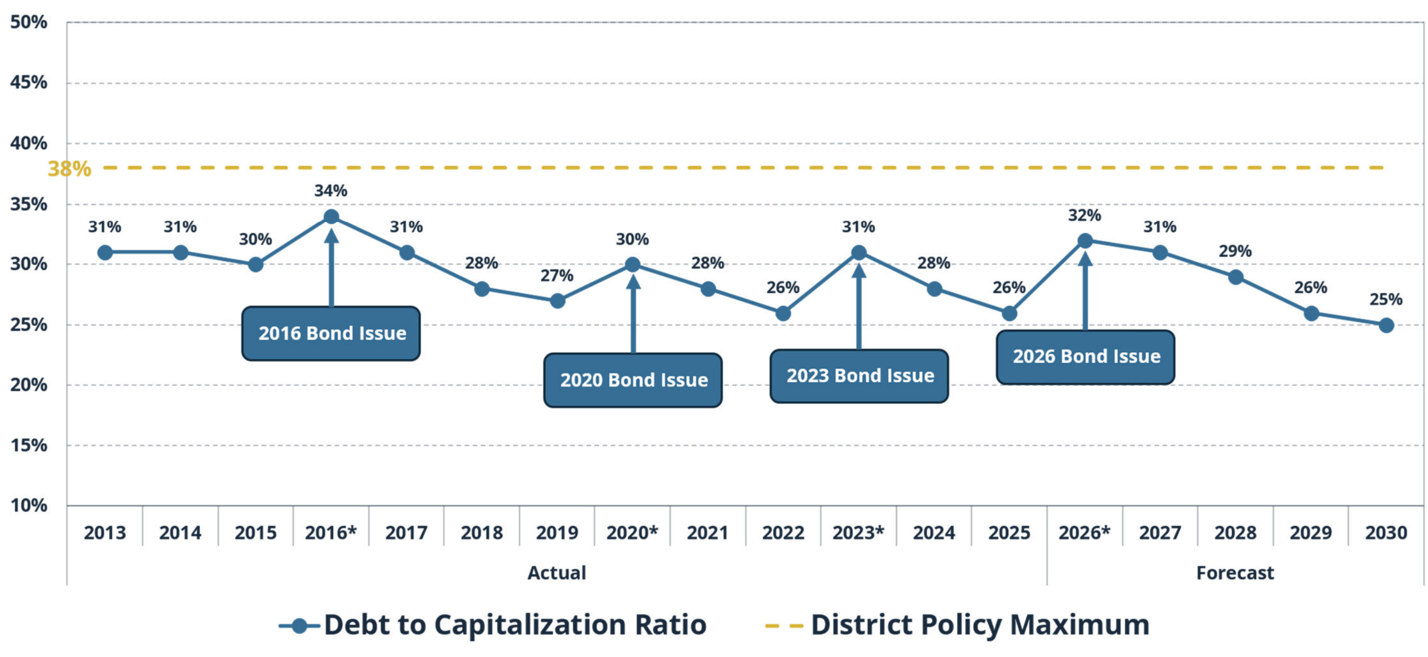
The primary purpose of issuing bonds is the fair apportionment of costs to ratepayers. These projects are for long-lived assets that benefit current and future ratepayers. The repayment of bonds is matched more closely to the periods in which the benefits will be recognized.

The proposed $32 million bond issue is intended to provide funding for the District's Strategic Capital Program while maintaining appropriate reserve levels and financial metrics. The 2026-2030 net capital plan adopted as part of the 2026 budget totals $101.3 million, which includes $77.7 million for Distribution projects, $16.9 million for Transmission projects, $16.9 million for Information Technology projects (including IT/OT and physical security), $6.2 million for Broadband projects, $5.8 million for General Plant projects, and $22.2 million in contributions in aid. Staff is developing an updated five-year capital plan for the upcoming 2027 budget. The proposed bond balances the need to fund these long-lived capital investments with the District's available reserves, projected cash flows, and debt capacity.

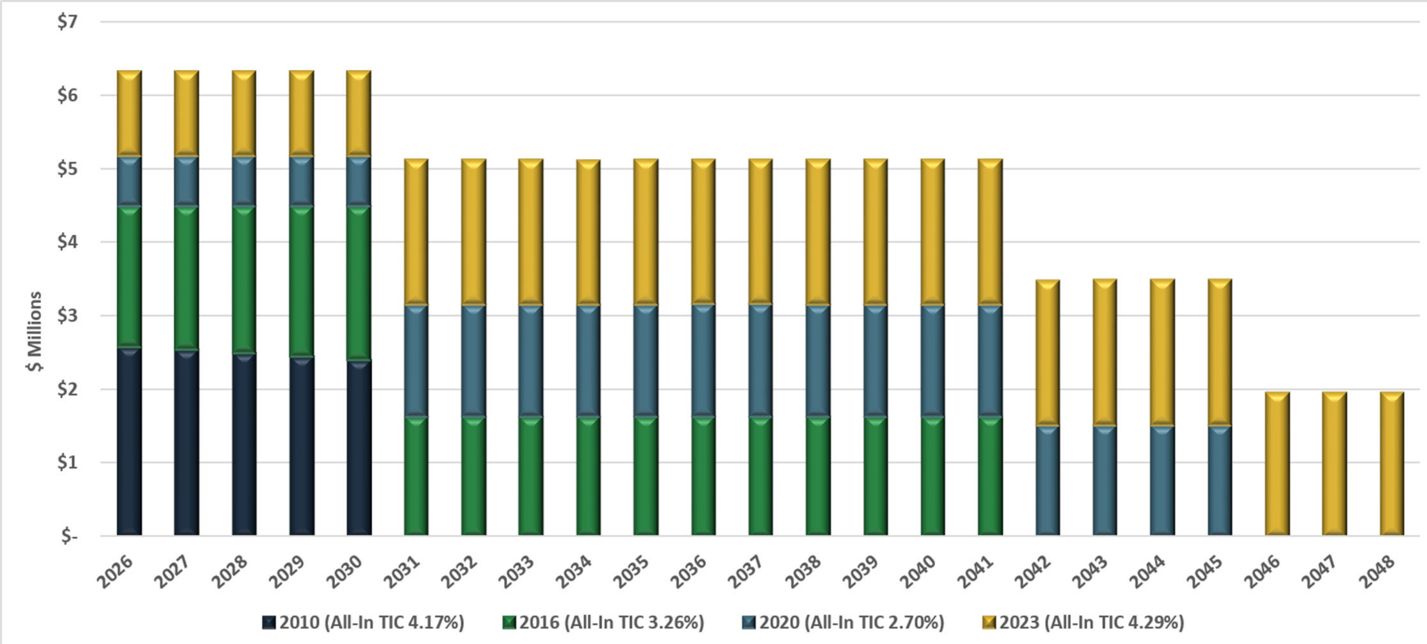
History and Policy

Staff has learned from rating agencies and been advised by its financial advisor that a debt to capitalization ratio (the "debt ratio") of 40% or higher for a distribution utility can have a negative impact on credit ratings. As a result, the District's policy is conservative and sets a limit on the debt ratio of 38% (with exceptions for special circumstances like a generation asset).

The District has historically issued bonds about every three to five years and has had a conservative debt ratio. Just prior to issuing bonds in 2023 the debt ratio was 26%. It increased to 31% after the 2023 bond issue. Currently, the debt ratio is projected to be 24% at the end of 2026. A $32 million bond issue in 2026 will increase the debt ratio to 32%. This is well below policy limits. The graph below demonstrates the District's disciplined approach to debt management. The debt ratio typically increases into the low-30% range following a bond issuance and then declines into the mid-20% range as debt is repaid before the next issuance.



The District has also structured bond issues conservatively with a front-loaded annual debt service schedule. Annual debt service is currently approximately $6.3 million and is already incorporated into retail rates. Because annual debt service declines as outstanding bonds mature, the District can strategically layer future bond issues into the declining debt service profile, providing capacity to fund future capital investments while limiting the impact of additional debt service on retail rates.

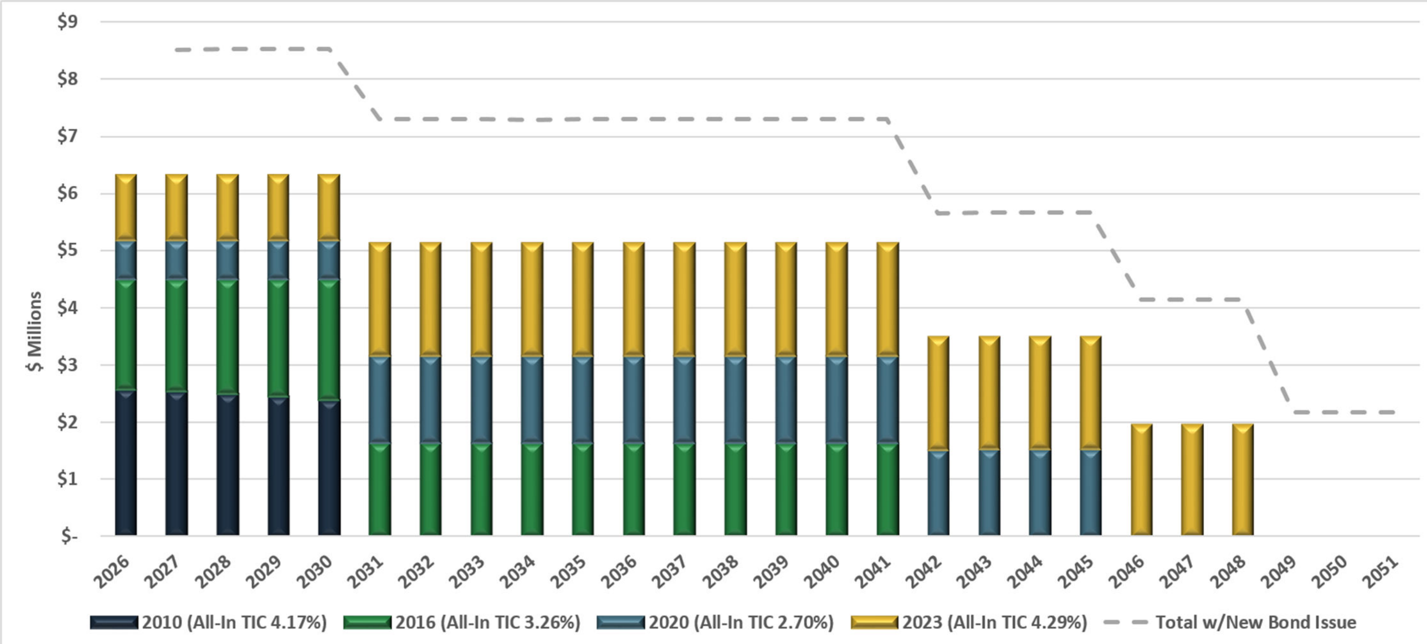


Financial Position

The District has maintained sound financial metrics resulting in achieving and maintaining the highest credit ratings in its history: Fitch AA-, Moody's Aa3, S&P AA-. At the same time, the District's retail rates are less than the median of northwest utilities. This has been achieved by balancing rate increases with the periodic issuance of bonds.

On October 1, 2025, Benton PUD's wholesale electricity provider Bonneville Power Administration (BPA) increased power rates by an average of 8.9% and transmission rates by an average of 19.9%. As a result, in December 2025 the Commission approved a retail rate increase of 2.0% effective April 1, 2026 to begin to recover costs associated with the BPA rate increase, and the District's financial forecast showed the need for additional projected retail rate increases in 2027-2029. As a result of a preliminary injunction issued by a federal court in February 2026 expanding spill, projected rate increases for 2027-2030 have increased from 2.5% each year to 4.0% each year. These increases are mitigated by incorporating a $32 million bond issue in 2026. The bond issue allows the District to debt-finance a portion of its Strategic Capital Plan that would otherwise be funded through rates, reducing the magnitude of near-term rate increases while spreading the cost of long-lived capital assets over the customers who will benefit from those investments.
The updated financial forecast also indicates that additional debt financing may be appropriate in 2030.

The District's existing debt structure provides an opportunity to finance a portion of the Strategic Capital Plan while managing the impact of additional debt service on future retail rates. Annual debt service on the District's outstanding bonds is currently approximately $6.3 million and declines over time as earlier bond issues mature. The proposed $32 million bond issue is structured to take advantage of this declining debt service profile by adding new debt service as existing obligations are retired. This approach allows the District to fund near-term capital needs while maintaining a relatively stable overall debt service requirement. The following debt service schedule illustrates the District's existing obligations together with the proposed 2026 bond issue.



Refunding of Outstanding Bonds

In addition to providing new funding for capital improvements, the proposed bond issue provides authority to refund certain outstanding District bonds if market conditions make a refunding financially advantageous. The final bonds selected for refunding and the resulting savings will be determined based on market conditions at the time of pricing. Staff, the District's financial advisor, underwriter, and bond counsel will evaluate any refunding before it is included in the final transaction.

Future Refinancing Opportunity

The proposed bonds are expected to include a customary optional 10-year redemption provision, which would provide the District an opportunity to refinance callable maturities if interest rates decline sufficiently in the future. Any future refinancing would be evaluated based on market conditions and the savings available to the District at that time.

Bond Resolution – Key Authorities and Parameters

The Bond Resolution delegates authority to the Chief Financial Officer or the Director of Customer Service and Treasury Operations to execute the financing within parameters established by the Commission, including:

- Up to **$32 million** in aggregate principal amount of new-money bonds to finance capital improvements, plus the principal amount necessary to refund eligible outstanding bonds.
- Maximum **5.25% True Interest Cost** for each series;
- Minimum **2.00% Net Present Value savings** for refunding bonds; and
- Final maturity no later than **November 1, 2051**.

Recommendation

Staff recommends issuing bonds to accomplish the following objectives:

- Maintain the Strategic Capital Program to develop a 21st Century Power Grid
- Maintain adequate financial metrics and credit rating
- Limit near-term rate increases by financing capital investments over time, while better aligning the cost of long-lived assets with the customers who will benefit from those investments

Fiscal Impact

The proposed bond issue will provide approximately $32 million to fund capital improvements to the District's electric system. Costs associated with issuing the bonds, including costs related to any refunding of outstanding debt, will be paid from bond proceeds and therefore will not impact the 2026 Budget. Principal and interest payments associated with the new bonds will begin in 2027 and will be incorporated into the 2027 Budget.

PUBLIC UTILITY DISTRICT NO. 1 OF

BENTON COUNTY, WASHINGTON

RESOLUTION NO. 2735

A Resolution of Public Utility District No. 1 of Benton County, Washington, authorizing the issuance and sale of one or more series of Electric Revenue and Refunding Bonds, Series 2026 to finance capital improvements to the District's Electric System and refund certain outstanding bonds of the District; fixing the form and covenants of the 2026 Bonds; and delegating authority to a designated representative to approve the final terms of the 2026 Bonds.

Adopted September 8, 2026

Prepared by:

FOSTER GARVEY P.C.
Seattle, Washington

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RESOLUTION NO. 2735

A Resolution of Public Utility District No. 1 of Benton County, Washington, authorizing the issuance and sale of one or more series of Electric Revenue and Refunding Bonds, Series 2026 to finance capital improvements to the District's Electric System and refund certain outstanding bonds of the District; fixing the form and covenants of the 2026 Bonds; and delegating authority to a designated representative to approve the final terms of the 2026 Bonds.

WHEREAS, Public Utility District No. 1 of Benton County, Washington (the "District"), a municipal corporation of the State of Washington, owns and operates an electric utility system (the "Electric System") within Benton County, Washington; and

WHEREAS, the District currently has outstanding \$10,375,000 aggregate principal amount of Electric Revenue Bonds, Series 2010 (Taxable Build America Bonds – Direct Payment) (the "2010 Bonds"), issued pursuant to Resolution No. 2077; and

WHEREAS, the District currently has outstanding \$19,890,000 aggregate principal amount of Electric Revenue and Refunding Bonds, Series 2016 (the "2016 Bonds"), issued pursuant to Resolution No. 2368; and

WHEREAS, the resolution authorizing the 2016 Bonds and the certificate of determination with the final terms of the 2016 Bonds provide that certain maturities of the 2016 Bonds may be redeemed prior to their maturities; and

WHEREAS, if it would provide a net present value savings, the Commission deems it advisable to issue revenue bonds to refund all or a portion of the outstanding 2016 Bonds; and

WHEREAS, the District currently has outstanding \$16,925,000 aggregate principal amount of Electric Revenue Bonds, Series 2020A (the "2020A Bonds"), issued pursuant to Resolution No. 2550; and

WHEREAS, the District currently has outstanding \$23,025,000 aggregate principal amount of Electric Revenue Bonds, Series 2023 (the "2023 Bonds"), issued pursuant to Resolution No. 2651; and

WHEREAS, the Commission deems it necessary and advisable to issue electric revenue and refunding bonds (the "2026 Bonds") in one or more series to provide funds to finance or reimburse the District for capital improvements to the Electric System and to refund all or a portion of the outstanding 2016 Bonds, and wishes to issue the 2026 Bonds on a parity with the outstanding 2010 Bonds, 2016 Bonds, 2020A Bonds and 2023 Bonds (the "Outstanding Parity Bonds"), as permitted under the resolutions authorizing the issuance of the Outstanding Parity Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Commission of Public Utility District No. 1 of Benton County as follows:

ARTICLE I
DEFINITIONS

SECTION 1.1 Definitions.

As used in this resolution the following words and phrases shall have the meanings herein set forth unless the context shall clearly indicate that another meaning is intended.

"Acquired Obligations" means those United States Treasury Certificates of Indebtedness, Notes, and Bonds--State and Local Government Series and other direct, noncallable obligations of the United States of America purchased to accomplish the refunding of the Refunded Bonds as authorized by this resolution.

"Additional Bonds" means any Bonds issued on a parity with the Outstanding Parity Bonds and the 2026 Bonds pursuant to Article IV of this resolution.

"Adjusted Net Revenues" means Net Revenues as calculated pursuant to Section 4.2I.

"Annual Debt Service" for any Fiscal Year means the sum of:

(a) the interest due in such Fiscal Year on all outstanding Bonds, excluding interest to be paid from the proceeds of Bonds,

(b) the principal of all outstanding Serial Bonds due in such Fiscal Year,

(c) the Sinking Fund Requirement, if any, for such Fiscal Year (calculated as of the Sinking Fund Requirement Date for such Fiscal Year), and

(d) regularly scheduled District Payments, adjusted by regularly scheduled Reciprocal Payments, during such Fiscal Year.

If the interest rate on any such Bonds is other than a fixed rate, the rate applicable at the time of computation shall be used.

In calculating the Annual Debt Service, the District may exclude the direct payment the District is expected to receive in respect of 2010 Bonds and any Additional Bonds for which the federal government will provide the District with a direct payment of a portion of the interest from the interest portion of Annual Debt Service.

"Average Annual Debt Service" means the amount determined by dividing (a) the sum of all interest, principal and Sinking Fund Requirements on outstanding Bonds from the date of determination to the last maturity of such Bonds by (b) the number of Fiscal Years that the Bonds are outstanding.

"Bond Register" means the books or records maintained by the Bond Registrar for the purpose of identifying ownership of each 2026 Bond.

"Bond Registrar" means the Fiscal Agent, or any successor bond registrar selected by the District.

"Bond Fund" means the 1985 Electric System Revenue Bond Fund established pursuant to Section 7.2 of Resolution No. 1130.

"Bondowners' Trustee" means any bank or trust company organized under the laws of any state of the United States or any national banking association hereafter appointed as trustee pursuant to Section 11.3 of this resolution.

"Bonds" means the Outstanding Parity Bonds, the 2026 Bonds and any Additional Bonds. "Bonds" may include bonds, notes, warrants, certificates of indebtedness or any other evidence of indebtedness.

"Code" means the United States Internal Revenue Code of 1986, as amended, and applicable rules and regulations promulgated thereunder.

"Commission" means the legislative body of the District as the same shall be duly and regularly constituted from time to time.

"Construction Fund" means the Construction Fund as provided in Section 6.3.

"Consulting Engineer" means an independent licensed professional engineer or engineering firm chosen by the District and experienced in the design and operation of electric utilities.

"Derivative Facility" means a letter of credit, an insurance policy, a surety bond or other credit enhancement device, given, issued or posted as security for the District's obligations under one or more Derivative Products.

"Derivative Payment Date" means any date specified in the Derivative Product on which a District Payment is due and payable under the Derivative Product.

"Derivative Product" means a written contract or agreement between the District and the Reciprocal Payor that has (or whose obligations are unconditionally guaranteed by a party that has) as of the date of the Derivative Product at least an investment grade rating from a rating agency, which provides that the District's obligations thereunder will be conditioned on the performance by the Reciprocal Payor of its obligations under the agreement; and

(a) under which the District is obligated to pay, on one or more scheduled and specified Derivative Payment Dates, the District Payments in exchange for the Reciprocal Payor's obligation to pay or to cause to be paid to the District, on scheduled and specified Derivative Payment Dates, the Reciprocal Payments;

(b) for which the District's obligations to make District Payments may be secured by a pledge of and lien on the Revenues on an equal and ratable basis with the outstanding Bonds (as set forth in this resolution, including, without limitation, Section 6.1 hereof);

(c) under which Reciprocal Payments are to be made directly into the Bond Fund;

(d) for which the District Payments are either specified to be one or more fixed amounts or are determined as provided by the Derivative Product; and

(e) for which the Reciprocal Payments are either specified to be one or more fixed amounts or are determined as set forth in the Derivative Product.

"Designated Representative" means the officer of the District appointed in Section 12.1 of this resolution to serve as the District's designated representative in accordance with RCW 39.46.040(2).

"Distribution and Transmission Facilities" means the electric utility properties and assets, real and personal, tangible and intangible, including telecommunication facilities, now owned and operated by the District and used or useful in the transmission, distribution or sale of electric current or electric service, and business incidental thereto, and any additions, improvements and betterments thereto and extensions thereof hereafter constructed or acquired. Distribution and Transmission Facilities shall not include Generating Facilities.

"District" means Public Utility District No. 1 of Benton County, Washington, a municipal corporation of the State of Washington.

"District Payment" means any payment designated as such by resolution and required to be made by or on behalf of the District under a Derivative Product and which is determined according to a formula set forth in the Derivative Product.

"DTC" means The Depository Trust Company, New York, New York, a limited purpose trust company, organized under the laws of the State of New York.

"Electric System" means the Distribution and Transmission Facilities, the Generating Facilities and any Generating Facilities hereafter acquired, but such Electric System shall not include any property and facilities as may hereafter be acquired or constructed and established as a separate utility system not financed from the Revenues except for Resource Obligations or on a basis junior and inferior to the lien on Revenues pledged to pay and secure the Bonds, the revenue of which separate utility system may be pledged to the payment of revenue obligations issued to purchase, construct, condemn or otherwise acquire such separate utility system.

"Final Terms" means the terms and conditions for the sale of a Series of the Bonds including the amount, date or dates, denominations, interest rate or rates (or mechanism for determining interest rate or rates), payment dates, final maturity, redemption rights, price, and other terms or covenants, including minimum savings for refunding bonds (if the refunding bonds are issued for savings purposes).

"Fiscal Agent" means the fiscal agent of the State, as the same may be designated by the State from time to time.

"Fiscal Year" means the fiscal year used by the District at any time. At the time of the adoption of this resolution, the Fiscal Year is the twelve-month period beginning January 1 of each year.

"Generating Facilities" means any other electric utility properties and assets, real and personal, tangible and intangible, and used or useful in the generation of electric energy, hereafter acquired or constructed by the District and declared to be part of the Electric System, including any common undivided interest therein, related transmission facilities, and additions, improvements and betterments to and extensions of such properties and assets.

"Government Obligations" means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States Government.

"Letter of Representations" means the Blanket Issuer Letter of Representations from the District to DTC.

"MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions.

"Net Revenues" means, for any period, the excess of Revenues over Operating Expenses for such period, excluding from the computation of Revenues (a) any profit or loss derived from the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets, or resulting from the early extinguishment of debt and (b) insurance proceeds.

"Operating Expenses" means (a) the District's expenses for operation and maintenance of the Electric System, and ordinary repairs, renewals, replacements and reconstruction of the Electric System, including all costs of delivering electric power and energy and shall include, without limiting the generality of the foregoing, all costs of purchased power, costs of transmission and distribution operation and maintenance expenses, rents, administrative and general expenses, engineering expenses, legal and financial advisory expenses, required payments to pension, retirement, health and hospitalization funds, insurance premiums and any taxes, assessments, or payments in lieu of taxes, all to the extent properly allocable to the Electric System; (b) any current expenses required to be paid by the District under the provisions of this resolution or by law, all to the extent properly allocable to the Electric System; and (c) the fees and expenses of any Paying Agent or Bondowner's Trustee. Operating Expenses shall not include any costs or expenses for new construction, interest, amortization of debt service on any evidence of indebtedness or any allowance for depreciation or other non-cash expenses related to the marking to market of financial or energy-related contracts.

"Outstanding Parity Bond Resolutions" means the resolutions authorizing issuance of the Outstanding Parity Bonds.

"Outstanding Parity Bonds" means the 2010 Bonds, the 2016 Bonds, the 2020A Bonds and the 2023 Bonds.

"Parity Lien Obligations" means all charges and obligations against Revenues ranking on a parity of lien with the Bonds (as provided in this resolution, including, without limitation, Article IV and Section 6.1), including but not limited to reimbursement agreement obligations so designated, any regularly scheduled District Payments, adjusted by any regularly scheduled Reciprocal Payments, and Resource Obligations for any month such Obligations are not eligible for payment as Operating Expenses. Parity Lien Obligations do not include Bonds.

"Paying Agent" means the Bond Registrar with respect to the 2026 Bonds and the paying agent for each other series of outstanding Bonds.

"Permitted Investments" means any investments or investment agreements permitted for the District under the laws of the State as amended from time to time.

"Qualified Letter of Credit" means any irrevocable letter of credit issued by a financial institution for the account of the District on behalf of the owners of any Bonds, which institution maintains an office, agency or branch in the United States and as of the time of issuance of such letter of credit, is rated in the highest rating category by Moody's Ratings and S&P Global Ratings or their comparably recognized business successors; provided that once the 2010 Bonds are no longer outstanding, such letter of credit may be rated in one of the two highest rating categories by Moody's Ratings and S&P Global Ratings or their comparably recognized business successors.

"Qualified Insurance" means any noncancelable municipal bond insurance policy or surety bond issued by any insurance company licensed to conduct an insurance business in any state of the United States (or by a service corporation acting on behalf of one or more such insurance companies), which insurance company or companies, as of the time of issuance of such policy or surety bond, are rated in the highest rating category by Moody's Ratings and S&P Global Ratings or their comparably recognized business successors; provided that once the 2010 Bonds are no longer outstanding, such policy or surety bond may be rated in one of the two highest rating categories by Moody's Ratings and S&P Global Ratings or their comparably recognized business successors.

"Reciprocal Payment" means any payment, designated as such by resolution, to be made to, or for the benefit of, the District under a Derivative Product by the Reciprocal Payor.

"Reciprocal Payor" means a party to a Derivative Product that is obligated to make one or more Reciprocal Payments thereunder.

"Refunded Bonds" means those Refunding Candidates selected by the Designated Representative pursuant to Section 12.1 to be refunded with the proceeds of the 2026 Bonds.

"Refunding Candidates" means all or a portion of the outstanding 2016 Bonds.

"Refunding Plan" means the deposit of sufficient proceeds of the 2026 Bonds which, together with other money of the District, if necessary, will be used to acquire the Acquired Obligations to be deposited, with cash, if necessary, with the Refunding Trustee to:

(a) make the payment of the principal of and interest on the Refunded Bonds when due up to and including such date(s) as determined by the Designated Representative, and the call, payment, and redemption on such date(s), of all of the then-outstanding Refunded Bonds at a price of par; and

(b) which may include the payment of the costs of issuing the 2026 Bonds and the costs of carrying out the foregoing elements of the Refunding Plan.

"Refunding Trust Agreement" means a Refunding Trust Agreement between the District and the Refunding Trustee.

"Refunding Trustee" means a bank or trust company appointed by the District to serve as trustee or escrow agent or any successor trustee or escrow agent.

"Registered Owner" means the person in whose name a 2026 Bond is registered on the Bond Register. For so long as the District utilizes the book-entry system for the 2026 Bonds, DTC, or its nominee or successor, shall be deemed to be the Registered Owner.

"Reserve Account Requirement" means, as of any date of calculation for those Bonds secured by the Reserve Account, the least of (a) the maximum Annual Debt Service, (b) 125% of the Average Annual Debt Service, or (c) the amount permitted by the Code to be funded from proceeds of tax-exempt Bonds.

"Resolution," when used in Article XI hereof, has the meaning prescribed in Section 11.1 hereof.

"Resource Obligation" means an obligation of the District (designated as such and entered into in compliance with the provisions of this resolution including, without limitation, Section 4.2 hereof) to pay from Revenues the following costs associated with a resource:

(a) costs associated with facilities or resources for the generation of power and energy or for the conservation, transformation, transmission or distribution of power and energy (including any common undivided interest therein) hereafter acquired, purchased or constructed by the District and declared by the Commission to be a separate system, which such costs shall include but are not limited to costs of normal operation and maintenance, renewals and replacements, additions and betterments and debt service on the bonds or other obligations of such separate system but shall exclude costs paid or to be paid from the proceeds of the sale of bonds or other obligations of such separate system or

(b) costs associated with the purchase of energy, capacity, capability or conservation under a contract to the extent that such contract is security for debt issued to finance such purchase.

Such Resource Obligation costs shall be payable as (a) Operating Expenses for any month in which any power and energy or other goods and services from such resource were made available to the Electric System during such month (regardless of whether or not the Electric System actually scheduled or received energy from such resource during such month) and (b) at all other times as an indebtedness of the Electric System payable from Revenues on a parity of lien with Bonds and any Parity Lien Obligation.

"Revenue Fund" means the fund of that name described in Section 6.1 of this resolution.

"Revenues" means all income (including investment income), receipts and revenues derived by the District through the ownership and operation of the Electric System but shall not include:

(a) any income derived by the District through the ownership and operation of any facilities that may hereafter be purchased, constructed or otherwise acquired by the District as a separate utility system; or

(b) investment income restricted to a particular purpose inconsistent with its use for the payment of debt service, including investment income derived pursuant to a plan of debt retirement or refunding.

"Rule 15c2-12" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended.

"SEC" means the United States Securities and Exchange Commission.

"Securities Depository" means DTC, any successor thereto, any substitute securities depository selected by the District that is qualified under applicable laws and regulations to provide the services proposed to be provided by it, or the nominee of any of the foregoing.

"Serial Bonds" means Bonds other than Term Bonds.

"Series of the Bonds" or "Series" means a series of the 2026 Bonds issued pursuant to this resolution.

"Sinking Fund Requirement" for any Fiscal Year means the principal amount of Term Bonds required to be purchased, redeemed or paid in such Fiscal Year as established by the resolution of the District authorizing the issuance of such Term Bonds.

"Sinking Fund Requirement Date" means, for any Fiscal Year, the date by which the Sinking Fund Requirement for such Fiscal Year must be met.

"Supplemental Resolution" means any resolution amending, modifying or supplementing the provisions of this resolution, including any resolution providing for the issuance of Additional Bonds.

"Term Bonds" means Bonds of any principal maturity that are subject to mandatory redemption and for which mandatory sinking fund payments are required.

"Treasurer" means the Treasurer of the District as designated, from time to time, by resolution of the Commission.

"2010 Bonds" means the Electric Revenue Bonds, Series 2010 (Taxable Build America Bonds – Direct Payment), issued pursuant to Resolution No. 2077.

"2016 Bonds" means the Electric Revenue and Refunding Bonds, Series 2016, issued pursuant to Resolution No. 2368.

"2020A Bonds" means the Electric Revenue Bonds, Series 2020A, issued pursuant to Resolution No. 2550.

"2023 Bonds" means the Electric Revenue Bonds, Series 2023, issued pursuant to Resolution No. 2651.

"2026 Bonds" means the Electric Revenue and Refunding Bonds, Series 2026, issued pursuant to this resolution. If the 2026 Bonds are issued in a subsequent year, the year designation may be modified throughout this resolution to reflect the year of issuance of such 2026 Bonds.

"Underwriter" means RBC Capital Markets, LLC, or such other corporation, firm, association, partnership, trust, bank, financial institution or other legal entity or group of entities selected by the Designated Representative to serve as underwriter.

"Variable Rate" means a variable interest rate or rates to be borne by a series of Bonds or any one or more maturities within a series of Bonds. The method of computing such variable interest rate shall be specified in the resolution authorizing such series of Bonds; provided that such variable interest rate shall be subject to a maximum interest rate and may be subject to a minimum interest rate and that there may be an initial rate specified for either (a) the particular period or periods of time or manner of determining such period or periods of time for which each value of such variable interest rate shall remain in effect or (b) the time or times upon which any change in such variable interest rate shall become effective.

"Variable Rate Bonds" means, for any period of time, Bonds that during such period bear a Variable Rate, provided that Bonds the interest rate on which shall have been fixed for the remainder of the term to the maturity thereof shall no longer be Variable Rate Bonds.

SECTION 1.2 Interpretation.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Words imparting the singular number shall include the plural numbers and vice versa unless the context shall otherwise indicate. Reference to Articles, Sections and other subdivisions of this resolution are to the Articles, Sections and other subdivisions of this resolution as originally adopted unless expressly stated to the contrary. The headings or titles of the Articles and Sections hereof, and the Table of Contents appended hereto, are for convenience of reference only and shall not define or limit the provisions hereof.

ARTICLE II
FINDINGS AND DETERMINATIONS

SECTION 2.1 Best Interest of the District.

The Commission hereby finds that it is in the best interests of the District and the users of the Electric System that the District issue the 2026 Bonds for the purpose of providing funds to reimburse and finance the cost of capital improvements to the Electric System, to refund all or a portion of the outstanding 2016 Bonds, to fund the Reserve Account Requirement or other reserve account requirement, if necessary, and to pay costs of issuing the 2026 Bonds.

SECTION 2.2 Plan and System.

The Commission hereby adopts, as a plan and system, improvements and replacements to the Electric System (the "Projects"). The total cost of such improvements is estimated to be $32,000,000, all or a portion of which will be provided or reimbursed out of the proceeds of sale of the 2026 Bonds.

SECTION 2.3 Revenues Sufficient.

The Commission hereby further finds and determines that the Revenues to be derived by the District from the operation of the Electric System at the rates to be charged for the electricity furnished thereby will be sufficient in the judgment of the Commission to meet all expenses of operation and maintenance, and to make all necessary repairs, replacements and renewals thereof, and to permit the setting aside out of such Revenues in the Bond Fund of such amounts as may be required to pay the principal of and interest on the 2026 Bonds, the Outstanding Parity Bonds and any Parity Lien Obligations as the same become due and payable.

SECTION 2.4 Due Regard.

The Commission hereby finds and determines that due regard has been given to the cost of the operation and maintenance of the Electric System and that it has not obligated the District to set aside into the Bond Fund for the account of the Bonds and for the account of any Parity Lien Obligations a greater amount of the revenues and proceeds of the Electric System than in its judgment will be available over and above such cost of maintenance and operation.

SECTION 2.5 Compliance with Parity Conditions.

In accordance with the provisions of the Outstanding Parity Bond Resolutions, which permit the issuance of Additional Bonds upon compliance with the conditions set forth therein (the "Parity Conditions"), the Commission hereby finds and determines that this resolution contains the provisions required by the Outstanding Parity Bond Resolutions to be contained herein and further finds as follows:

A. There is no deficiency in the Bond Fund;

B. No Event of Default under Section 11.1 has occurred and is continuing;

C. The District may create a separate reserve account as provided by Section 6.2C, which may be equal to zero for the 2026 Bonds, or the District may satisfy the Reserve Account Requirement with money and the surety policy currently in the Reserve Account and by proceeds of the 2026 Bonds or other funds of the District, as needed; and

D. On or before the date of issuance of the 2026 Bonds, the District shall obtain a certificate of the Treasurer setting forth:

(i) the amount of the Net Revenues for any 12 consecutive months of the 24 months prior to the date of the issuance of the 2026 Bonds;

(ii) the amount of the maximum Annual Debt Service in any Fiscal Year thereafter on account of the 2026 Bonds and the Outstanding Parity Bonds; and

(iii) the percentage derived by dividing the amount shown in (i) above by the amount shown in (ii) above, and stating that such percentage is not less than 125%.

The Parity Conditions having been complied with in connection with the issuance of the 2026 Bonds, the pledge contained herein of Revenues to pay and secure the payment of the 2026 Bonds shall constitute a lien and charge upon such revenue equal in rank with the lien and charge upon the Revenues to pay and secure the payment of the Outstanding Parity Bonds and any Additional Bonds.

ARTICLE III
AUTHORIZATION AND ISSUANCE OF BONDS

SECTION 3.1 Authorization of Bonds.

By Resolution No. 1130, the District has authorized to be issued Bonds of the District to be known as "Public Utility District No. 1 of Benton County, Washington, Electric Revenue Bonds," now consisting of the Outstanding Parity Bonds. Bonds may be issued in series, pursuant to the terms, conditions and limitations of the Outstanding Parity Bond Resolutions and this resolution in such amounts from time to time as may be required for any lawful purpose of the District, including the making of additions, improvements and betterments to and extensions of the Electric System.

SECTION 3.2 Authorization of 2026 Bonds.

For the purpose of providing the funds for financing or reimbursing the District for the Projects, to refund the Refunded Bonds, to fund the Reserve Account Requirement or other reserve account requirement, if necessary, and pay costs of issuance, there are hereby authorized to be issued Electric Revenue and Refunding Bonds, Series 2026 in the aggregate principal amount of not to exceed $52,500,000 (the "2026 Bonds") of the District. The 2026 Bonds shall be issued in one or more Series; shall be in the denomination of $5,000 each or any integral multiple thereof within a single maturity of a Series; shall be numbered separately in the manner and with any additional designation as the Bond Registrar deems necessary for purpose of identification; and shall be dated such date, bear interest at the rates per annum, and be payable in the amounts and dates as shall be determined pursuant to Section 12.1 hereof.

SECTION 3.3 Registration, Exchange and Payments.

A. *Bond Registrar/Bond Register*. The District hereby specifies and adopts the system of registration and transfer for the 2026 Bonds approved by the Washington State Finance Committee from time to time through the appointment of the State Fiscal Agent. The District shall cause a bond register to be maintained by the Bond Registrar. So long as any 2026 Bonds remain outstanding, the Bond Registrar shall make all necessary provisions to permit the exchange or registration of transfer of 2026 Bonds at its designated office. The Bond Registrar may be removed at any time at the option of the District upon prior notice to the Bond Registrar, DTC, the MSRB, and a successor Bond Registrar appointed by the District. No resignation or removal of the Bond

Registrar shall be effective until a successor shall have been appointed and until the successor Bond Registrar shall have accepted the duties of the Bond Registrar hereunder. The Bond Registrar is authorized, on behalf of the District, to authenticate and deliver 2026 Bonds transferred or exchanged in accordance with the provisions of such 2026 Bonds and this resolution and to carry out all of the Bond Registrar's powers and duties under this resolution. The Bond Registrar shall be responsible for its representations contained in the Certificate of Authentication on the 2026 Bonds.

B. *Registered Ownership*. The District and the Bond Registrar, each in its discretion, may deem and treat the Registered Owner of each 2026 Bond as the absolute owner thereof for all purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary. Payment of any such 2026 Bond shall be made only as described in Section 3.3H hereof, but such 2026 Bond may be transferred as herein provided. All such payments made as described in Section 3.3H shall be valid and shall satisfy and discharge the liability of the District upon such 2026 Bond to the extent of the amount or amounts so paid.

C. *DTC Acceptance/Letter of Representations*. To induce DTC to accept the 2026 Bonds as eligible for deposit at DTC, the District has heretofore executed and delivered to DTC a Letter of Representations.

Neither the District nor the Bond Registrar will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees (or any successor depository) with respect to the 2026 Bonds in respect of the accuracy of any records maintained by DTC (or any successor depository) or any DTC participant, the payment by DTC (or any successor depository) or any DTC participant of any amount in respect of the principal of or interest on 2026 Bonds, any notice that is permitted or required to be given to Registered Owners under this resolution (except such notices as shall be required to be given by the District to the Bond Registrar or to DTC (or any successor depository)), or any consent given or other action taken by DTC (or any successor depository) as the Registered Owner. For so long as any 2026 Bonds are held in fully immobilized form hereunder, DTC, its nominee or its successor depository shall be deemed to be the Registered Owner for all purposes hereunder, and all references herein to the Registered Owners shall mean DTC (or any successor depository) or its nominee and shall not mean the owners of any beneficial interest in such 2026 Bonds.

If any 2026 Bond shall be duly presented for payment and funds have not been duly provided by the District on such applicable date, then interest shall continue to accrue thereafter on the unpaid principal thereof at the rate stated on such 2026 Bond until such 2026 Bond is paid.

D. *Use of Depository*. (i) The 2026 Bonds shall be registered initially in the name of "CEDE & Co.," as nominee of DTC, with one 2026 Bond maturing on each of the maturity dates for each Series of the 2026 Bonds in a denomination corresponding to the total principal therein designated to mature on such date. Registered ownership of such immobilized 2026 Bonds, or any portions thereof, may not thereafter be transferred except (a) to any successor of DTC or its nominee, provided that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (b) to any substitute depository appointed by the District pursuant to Subsection (ii) below or such substitute depository's successor; or (c) to any person as provided in Subsection (iv) below.

(ii) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the District to discontinue the system of book entry transfers through DTC or its successor (or any substitute depository or its successor), the District may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(iii) In the case of any transfer pursuant to clause (a) or (b) of Subsection (i) above, the Bond Registrar shall, upon receipt of all outstanding 2026 Bonds of a Series, together with a written request on behalf of the District, issue a single new 2026 Bond of such Series for each maturity then outstanding, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District.

(iv) In the event that (a) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository, and no substitute depository can be obtained, or (b) the District determines that it is in the best interest of the beneficial owners of the 2026 Bonds that such owners be able to obtain such bonds in the form of bond certificates, the ownership of such 2026 Bonds may then be transferred to any person or entity as herein provided, and shall no longer be held in fully immobilized form. The District shall deliver a written request to the Bond Registrar, together with a supply of definitive 2026 Bonds, to issue 2026 Bonds as herein provided in any authorized denomination. Upon receipt by the Bond Registrar of all then outstanding 2026 Bonds together with a written request on behalf of the District to the Bond Registrar, new 2026 Bonds shall be issued in the appropriate denominations and registered in the names of such persons as are requested in such written request.

E. *Registration of Transfer of Ownership or Exchange; Change in Denominations*. The transfer of any 2026 Bond may be registered and 2026 Bonds may be exchanged, but no transfer of any such 2026 Bond shall be valid unless such 2026 Bond is surrendered to the Bond Registrar with the assignment form appearing on such 2026 Bond duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a manner satisfactory to the Bond Registrar. Upon such surrender, the Bond Registrar shall cancel the surrendered 2026 Bond and shall authenticate and deliver, without charge to the Registered Owner or transferee therefor, a new 2026 Bond (or 2026 Bonds at the option of the new Registered Owner) of the same Series, date, maturity and interest rate and for the same aggregate principal amount in any authorized denomination, naming as Registered Owner the person or persons listed as the assignee on the assignment form appearing on the surrendered 2026 Bond, in exchange for such surrendered and cancelled 2026 Bond. Any 2026 Bond may be surrendered to the Bond Registrar and exchanged, without charge, for an equal aggregate principal amount of 2026 Bonds of the same Series, date, maturity and interest rate, in any authorized denomination. The Bond Registrar shall not be obligated to register the transfer or to exchange any 2026 Bond during the 15 days preceding the date any such 2026 Bond is to be redeemed.

F. *Bond Registrar's Ownership of 2026 Bonds*. The Bond Registrar may become the Registered Owner of any 2026 Bond with the same rights it would have if it were not the Bond Registrar, and to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as member of, or in any other capacity with respect to, any committee formed to protect the right of the Registered Owners of 2026 Bonds.

G. *Registration Covenant*. The District covenants that, until all 2026 Bonds have been surrendered and cancelled, it will maintain a system for recording the ownership of each 2026 Bond that complies with the provisions of Section 149 of the Code.

H. *Place and Medium of Payment*. The principal of and interest on the 2026 Bonds shall be payable in lawful money of the United States of America. Interest on the 2026 Bonds shall be calculated on the basis of a 360-day year and twelve 30-day months. For so long as all 2026 Bonds are in fully immobilized form, such payments of principal and interest thereon shall be made as provided in the operational arrangements of DTC as referred to in the Letter of Representations.

In the event that the 2026 Bonds are no longer in fully immobilized form, interest on the 2026 Bonds shall be paid by check or draft mailed to the Registered Owners of the 2026 Bonds at the addresses for such Registered Owners appearing on the Bond Register on the 15th day of the month preceding the interest payment date. Principal of the 2026 Bonds shall be payable upon presentation and surrender of such 2026 Bonds by the Registered Owners at the designated office of the Bond Registrar.

SECTION 3.4 Redemption of 2026 Bonds.

The 2026 Bonds may be subject to redemption prior to their respective maturities at the option of the District as provided pursuant to Section 12.1 hereof.

If a Term Bond is redeemed under any optional redemption provisions, defeased or purchased by the District and surrendered for cancellation, the principal amount of the Term Bond so redeemed, defeased or purchased (irrespective of its actual redemption or purchase price) shall be credited against one or more scheduled mandatory redemption installments for that Term Bond. The District shall determine the manner in which the credit is to be allocated and shall notify the Bond Registrar in writing of its allocation prior to the earliest mandatory redemption date for that Term Bond for which notice of redemption has not already been given.

SECTION 3.5 Partial Redemption.

Portions of the principal amount of any 2026 Bond, in any authorized denomination, may be redeemed. If less than all of the principal amount of any 2026 Bond is redeemed, upon surrender of that 2026 Bond to the Bond Registrar, there shall be issued to the Registered Owner, without charge, a new 2026 Bond (or 2026 Bonds, at the option of the Registered Owner) of the same Series, maturity and interest rate in any authorized denomination in the aggregate principal amount remaining unredeemed.

SECTION 3.6 Selection of 2026 Bonds for Redemption.

If fewer than all of the outstanding 2026 Bonds within a maturity of a Series are to be redeemed prior to maturity, selection of 2026 Bonds for redemption shall be randomly within the Series and maturity in such manner as the Bond Registrar shall determine. Notwithstanding the foregoing, for as long as the 2026 Bonds are registered in the name of DTC or its nominee, selection of 2026 Bonds for redemption shall be in accordance with the Letter of Representations.

SECTION 3.7 Notice of Redemption.

A. *Official Notice*. While the 2026 Bonds are held by DTC in book-entry only form, any notice of redemption shall be given at the time, to the entity and in the manner required by DTC in accordance with the Letter of Representations, and the Bond Registrar shall not be required to give any other notice of redemption. If the 2026 Bonds cease to be in book-entry only form unless waived by any owner of 2026 Bonds to be redeemed, official notice of any such redemption shall be given by the Bond Registrar on behalf of the District by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the 2026 Bond or 2026 Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar. All official notices of redemption shall be dated and shall state: (i) the redemption date, (ii) the redemption price, (iii) if fewer than all outstanding 2026 Bonds are to be redeemed, the identification by Series and maturity (and, in the case of partial redemption, the respective principal amounts) of the 2026 Bonds to be redeemed, (iv) that on the redemption date the redemption price will become due and payable upon each such 2026 Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and (v) the place where such 2026 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated office of the Bond Registrar.

On or prior to any redemption date, the District shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the 2026 Bonds or portions of 2026 Bonds that are to be redeemed on that date.

In the case of an optional redemption, the notice may state that the notice is conditional and that the District retains the right to rescind the redemption notice and the related optional redemption of 2026 Bonds by giving a notice of rescission to the affected Registered Owners at any time prior to the scheduled optional redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain Outstanding.

B. *Effect of Notice; 2026 Bonds Due*. Official notice of redemption having been given as aforesaid, the 2026 Bonds or portions of 2026 Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such 2026 Bonds or portions of 2026 Bonds shall cease to bear interest. Upon surrender of such 2026 Bonds for redemption in accordance with the notice, such 2026 Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any 2026 Bond, there shall be prepared for the Registered Owner a new 2026 Bond or 2026 Bonds of the same maturity in the amount of the unpaid principal. All 2026 Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

C. *Additional Notice*. In addition to the foregoing notice, further notice shall be given by the District as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all 2026 Bonds being redeemed; (ii) the date of issue of the 2026 Bonds as originally issued; (iii) the rate of interest borne by each 2026 Bond being redeemed; (iv) the maturity date of each 2026 Bond being redeemed; and (v) any other descriptive information needed to identify accurately the 2026 Bonds being redeemed. Each further notice of redemption may be sent at least 20 days before the redemption date to the MSRB, and to such persons and with such additional information as the Bond Registrar shall deem appropriate, but such mailings shall not be a condition precedent to the redemption of such 2026 Bonds.

D. *Redemption Payments*. Upon the payment of the redemption price of 2026 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the 2026 Bonds being redeemed with the proceeds of such check or other transfer.

E. *Amendment of Notice Provisions*. The foregoing notice provisions of this Section 3.7, including but not limited to the information to be included in redemption notices and the persons designated to receive notices, may be amended by additions, deletions and changes in order to maintain compliance with duly promulgated regulations and recommendations regarding notices of redemption of municipal securities.

SECTION 3.8 Purchase of 2026 Bonds.

The District also reserves the right to purchase any of the 2026 Bonds offered to the District at any time at a price deemed reasonable by the District.

ARTICLE IV
ISSUANCE OF ADDITIONAL BONDS; RESOURCE OBLIGATIONS; DERIVATIVE PRODUCTS

SECTION 4.1 Authorization of Additional Bonds.

Before any series of Additional Bonds shall be issued under the provisions of this Article, the District shall adopt a resolution or resolutions authorizing the issuance of such bonds, fixing the amount and the details thereof and describing in brief and general terms the purpose or purposes for which such bonds are to be issued. The bonds of each series issued under the provisions of this Section shall be in such denominations, shall be dated, shall bear interest at a rate or rates (including variable rates) not exceeding the maximum rate then permitted by law, shall be payable, both as to principal and interest, at such place or places, shall mature in such year or years, shall be made redeemable at such times and prices (subject to the provisions of this resolution), shall be numbered, shall have such Paying Agent, and any Term Bonds of such series shall have such amortization requirements, all as may be provided by resolution or resolutions adopted by the District prior to the issuance of such bonds.

SECTION 4.2 Additional Bonds.

A. Additional Bonds may be issued payable from the Bond Fund on a parity with the Bonds, and secured by an equal charge and lien on the Revenues pledged to the Bond Fund, for any lawful purpose of the District, including the refunding of outstanding Bonds; provided that, (i) except as to Bonds issued pursuant to Section 4.2E, at the time of the issuance of such Additional Bonds, there is no deficiency in the Bond Fund, and no Event of Default under Section 11.1 has occurred and is continuing, and (ii) the requirements of the applicable provisions of this Section 4.2 are complied with.

B. Additional Bonds may be issued for any lawful purpose of the District if the requirements set forth below under either subparagraph (i) or subparagraph (ii) are met.

(i) A certificate signed by the Treasurer of the District shall set forth:

(a) the amount of the Net Revenues for any 12 consecutive months of the 24 months prior to the date of the issuance of such Additional Bonds;

(b) the amount of the maximum Annual Debt Service in any Fiscal Year thereafter on account of all Bonds then outstanding under this resolution and the Additional Bonds then to be issued hereunder; and

(c) the percentage derived by dividing the amount shown in (a) above by the amount shown in (b) above, and shall state that such percentage is not less than 125%;

(ii) A certificate signed by a Consulting Engineer and filed with the Secretary of the District shall set forth:

(a) the amount of the Adjusted Net Revenues computed as provided in Section 4.2I;

(b) the amount of the maximum Annual Debt Service thereafter on account of all Bonds then outstanding under this resolution and the Additional Bonds then to be issued hereunder; and

(c) as to the applicable Fiscal Year under (b) above, the percentage derived by dividing the amount shown in (a) above by the amount shown in (b) above, and shall state that such percentage is not less than 125%.

C. Additional Bonds may be issued pursuant to Sections 4.2E, 4.2F and 4.2K without complying with the provisions of Section 4.2B.

D. Additional Bonds may also be issued for the purpose of paying part of the costs of Distribution and Transmission Facilities or Generating Facilities for which Bonds have theretofore been issued, if a certificate is signed by a Consulting Engineer and filed with the Secretary of the

District, which shall comply with the requirements of paragraph 4.2B above or shall state that the issuance of such Additional Bonds is necessary to complete such facilities and that the completion is necessary for the efficient and economic operation of the Electric System.

E. If at any time the District shall determine that the money available for such purpose in the Bond Fund will not be sufficient for paying at their maturity any Serial Bonds or any Sinking Fund Requirement that will mature or become payable within one year thereafter, Additional Bonds may be issued for the purpose of providing funds to refund such Bonds and to pay the interest to accrue thereon to their maturity, or to pay such Sinking Fund Requirements, and any expenses in connection therewith. Such Additional Bonds shall mature in a year not earlier than one year after the last maturity of the Bonds of such series being refunded and be made redeemable at such times and prices (subject to the provisions of Article III of this resolution), as may be provided by the resolution or resolutions providing for the issuance of such Additional Bonds adopted by the District.

F. Additional Bonds may also be issued from time to time for the purpose of providing funds, with any other available funds, for retiring at or prior to their maturity or maturities any or all of the outstanding Bonds of any series, including the payment of any redemption premium thereon, and, if deemed necessary by the District, for paying the interest to accrue thereon to the date fixed for their retirement and any expenses incident to the issuance of such Additional Bonds.

G. Additional Bonds issued under Sections 4.2E and 4.2F above shall not be delivered unless the proceeds (excluding any accrued interest but including any premium) of such Additional Bonds, together with any other money which have been made available for such purposes, and the principal of and the interest on the investment of such proceeds or any such money, shall be sufficient to pay the principal of and the redemption premium, if any, on the Bonds to be refunded and the interest which will become due and payable on or prior to the date of their payment or redemption, and the expenses incident to the issuance of such Additional Bonds.

If such Additional Bonds are to be issued pursuant to Section 4.2F above,

(i) there shall be filed with the District a certificate signed by the Treasurer showing that the Annual Debt Service for any Fiscal Year thereafter shall not be increased by more than $5,000 by reason of the issuance of the Additional Bonds, or

(ii) There shall be filed with the District a certificate signed by a Consulting Engineer setting forth:

(a) the amount of the Adjusted Net Revenues computed as provided in Section 4.2I;

(b) the amount of the maximum Annual Debt Service in any Fiscal Year thereafter on account of all Bonds to be outstanding in such Fiscal Year and the Additional Bonds then to be issued hereunder; and

(c) stating that the amount shown in (a) above is not less than 125% of the amount shown in (b) above.

H. In rendering any certificate under this Section, the Consulting Engineer may rely upon, and such certificate shall have attached thereto, (i) financial statements of the Electric System, certified by the chief financial officer thereof, showing income and expenses for the period upon which the same are based and a balance sheet as of the end of such period, or (ii) similar certified statements by the Division of Municipal Corporations of the Office of the State Auditor of the State of Washington (or any successor thereto), or (iii) a similar certified statement by an independent certified public accountant, if any, for as much of said period as any examination by them has been made and completed. If two or more of such statements are inconsistent with each other, the Consulting Engineer shall rely on the statement described under (i) above.

In connection with the issuance of any Bonds pursuant to Sections 4.2B, 4.2D and 4.2G, the certificate of the Consulting Engineer hereinabove referred to shall be conclusive and the only evidence required to show compliance with the provisions and requirements of said subsection.

I. For the purposes of the certificates required by Sections 4.2B and 4.2G of this resolution, Adjusted Net Revenues shall be computed by the Consulting Engineer as follows:

(i) The Net Revenues for any 12 consecutive months (selected by the District) out of the 24 months prior to the date of issuance of the Additional Bonds (such 12-month period being herein called the "Base Period") may be adjusted:

(a) to reflect any changes in Net Revenues for the Base Period which would have occurred if the schedule of rates and charges in effect at the time of the computation (or approved by the Commission as of the time of such computation and to become effective within six months thereof) had been in effect during the portion of the Base Period in which such schedule was not in effect;

(b) to reflect a full 12 months of Net Revenues from any customers of the Electric System added prior to the computation date; and

(c) to reflect any changes in Net Revenues estimated as a result of, and upon completion of, any facilities under construction or to be acquired, constructed or installed as a part of the Electric System from the proceeds of any Bonds.

J. Nothing contained herein shall prevent the District from refunding at one time all of the Bonds and Parity Lien Obligations then outstanding. Nothing contained herein shall prevent the District from issuing obligations payable from a lien on the Revenues which is junior and inferior to the Bonds and Parity Lien Obligations, provided that such obligations shall not be subject to acceleration prior to the maturity thereof.

K. Additional Bonds may be issued from time to time without complying with the requirements set forth above if, in the opinion of the Consulting Engineer, as evidenced by a certificate filed with the District, it is necessary to repair any damage or loss to the Electric System or if the Electric System has been destroyed or damaged by disaster or unanticipated event to such an extent that it cannot be operated; provided, however, that the proceeds of any Additional Bonds issued for such purpose may only be used to return the Electric System to, or to maintain the Electric System at, substantially its former or then operating capacity; and provided further, that in the case of repair, such Additional Bonds may be issued only to the extent that insurance proceeds from such damage or loss are insufficient for the accomplishment of such purpose.

L. In calculating Annual Debt Service for purposes of this Section, if the interest rate on any Bonds is other than a fixed rate, the rate applicable at the time of computation shall be used unless such rate is less than the most recently published Bond Buyer's Revenue Bond Index for municipal revenue bonds, in which case the rate stated by such index shall be used. If such index is no longer published, another nationally recognized index for municipal revenue bonds maturing in 20 to 30 years shall be used.

M. The District may enter into or incur a Resource Obligation pursuant to a resolution of the Commission provided that the following requirements shall be met at the time of adoption of such resolution:

(i) No Event of Default under Section 11.1 with respect to any Bonds or Resource Obligations has occurred and is continuing.

(ii) There shall have been filed with the Secretary of the Commission a certificate of the Consulting Engineer stating that the additional source of power and energy or conservation from such Resource Obligation is consistent with sound utility power supply planning.

(iii) There shall have been filed with the Secretary of the Commission a report of the Consulting Engineer stating that estimated annual Net Revenues for the second full Fiscal Year after the date of initial operation of the facilities, costs of which are to be financed as a Resource Obligation, or after the date of first delivery of energy, capacity, capability or conservation pursuant to a contract, costs of which are declared to be a Resource Obligation, as the case may be, shall be at least equal to 125% of maximum Annual Debt Service in any future Fiscal Year. In estimating Net Revenues, the Consulting Engineer shall base such estimate on factors the Consulting Engineer deems to be reasonable and shall treat the costs of the Resource Obligation as Operating Expenses.

(iv) In the event that the Resource Obligation is a contract to purchase energy, capacity, capability or conservation, there shall have been filed with the Secretary of the Commission opinions of counsel to all other parties to the contract which opinions state that each such party to such contract has all requisite right, power and authority to execute and deliver such contract and to perform its obligations thereunder and that such contract constitutes a legally valid and binding obligation of such party thereto.

(v) The Resource Obligations shall not be subject to acceleration.

N. Nothing in this resolution shall prevent the District from entering into contracts to purchase energy, capacity, capability, reserves, conservation or services or from authorizing and issuing bonds, notes, certificates or other obligations or evidences of indebtedness, other than Bonds, to acquire or construct facilities or resources for the generation of power and energy, or for the conservation, transformation or transmission of power and energy, and any incidental properties to be constructed or acquired in connection therewith, which facilities or resources shall be a separate system, provided that such contractual obligations, bonds or other obligations or evidences of indebtedness shall be payable solely from the revenues or other income derived from the ownership or operation of such separate system.

O. (i) In the event that the District elects to meet the requirements of Section 6.2C hereof with respect to the Reserve Account as to any issue of Bonds through the use of a Qualified Letter of Credit, Qualified Insurance or other credit enhancement device, the District may contract with the person providing such Qualified Letter of Credit, Qualified Insurance or other credit enhancement device that the District's reimbursement obligation, if any, to such entity ranks on a parity of lien with payments into the Reserve Account to secure the Bonds.

(ii) In the event that the District elects additionally to secure any issue of Variable Rate Bonds through the use of a letter of credit, insurance or other credit enhancement device, the District may contract with the entity providing such letter of credit, insurance or other credit enhancement device that the District's reimbursement obligation, if any, to such entity ranks on a parity of lien with the Bonds (as set forth in this resolution, including, without limitation, Section 6.1); provided that the payments due under such reimbursement obligation are such that if such reimbursement obligation were a series of Additional Bonds and assuming that such credit enhancement device were to be drawn upon for the full amount available, such Additional Bonds could be issued in compliance with the provisions of Section 4.2B, excluding Annual Debt Service on the Variable Rate Bonds.

SECTION 4.3 Derivative Products.

To the extent permitted by state law, the District may enter into Derivative Products on a parity with the 2026 Bonds and any other Bonds subject to the following conditions:

A. *General Parity Tests*. The Derivative Product (and the obligations to which it relates) must satisfy the requirements for Additional Bonds described in Section 4.2 taking into consideration District Payments and Reciprocal Payments under the Derivative Product. Termination payments owed pursuant to a Derivative Product shall not be on a parity with the Bonds.

B. *Opinion of Bond Counsel*. The District shall obtain an opinion of bond counsel on the due authorization and execution of such Derivative Product, the validity and enforceability thereof and opining that the action proposed to be taken is authorized or permitted by this resolution and will not adversely affect the excludability for federal income tax purposes of the interest on any outstanding Bonds.

C. *Payments*. Each Derivative Product shall set forth the manner in which the District Payments and Reciprocal Payments are to be calculated and a schedule of Derivative Payment Dates.

D. *Resolutions to Govern Derivative Products*. Prior to entering into a Derivative Product, the District shall adopt a resolution, which shall:

(i) establish general provisions for the rights of providers of Derivative Products or Derivative Facilities; and

(ii) set forth such other matters as the District deems necessary or desirable in connection with the management of Derivative Products as are not clearly inconsistent with the provisions of this resolution.

ARTICLE V
GENERAL TERMS AND PROVISIONS OF BONDS

SECTION 5.1 Execution of 2026 Bonds.

The 2026 Bonds shall be executed on behalf of the District with the manual or facsimile signature of the President or Vice President of the Commission, attested by the manual or facsimile signature of the Secretary of the Commission, and shall have the seal of the District impressed, imprinted or otherwise reproduced thereon. In case either or both of the officers who have signed or attested any of the 2026 Bonds cease to be such officer before such 2026 Bonds have been actually issued and delivered, such 2026 Bonds shall be valid nevertheless and may be issued by the District with the same effect as though the persons who had signed or attested such 2026 Bonds had not ceased to be such officers, and any 2026 Bond may be signed or attested on behalf of the District by officers who at the date of actual execution of such 2026 Bond are the proper officers, although at the nominal date of execution of such 2026 Bond such officer was not an officer of the District.

Only 2026 Bonds that bear a Certificate of Authentication in the form set forth in Section 8.1, manually executed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this resolution. Such Certificate of Authentication shall be conclusive evidence that the 2026 Bonds so authenticated have been duly executed, authenticated and delivered and are entitled to the benefits of this resolution.

SECTION 5.2 Lost, Stolen or Destroyed Bonds.

In case any 2026 Bond shall be lost, stolen or destroyed, the Bond Registrar may authenticate and deliver a new 2026 Bond or 2026 Bonds of like Series, amount, date, and tenor to the Registered Owner thereof upon such Registered Owner paying the expenses and charges of the District and the Bond Registrar in connection therewith and upon the filing with the Bond Registrar evidence satisfactory to the Bond Registrar that such 2026 Bond or 2026 Bonds were actually lost, stolen or destroyed and of their ownership thereof, and upon furnishing the District and the Bond Registrar with indemnity satisfactory to the Treasurer or the Treasurer's designee and the Bond Registrar.

ARTICLE VI
FUNDS AND ACCOUNTS

SECTION 6.1 Revenue Fund.

A. A special fund of the District has heretofore been created pursuant to Resolution No. 1016 adopted by the Commission on April 29, 1982, and designated the "Revenue Fund." The Revenue Fund shall be maintained and continued in existence, and shall be held and administered by the District. The District covenants and agrees that it will pay or cause to be paid all Revenues into the Revenue Fund as promptly as practicable after receipt thereof.

There have heretofore been created pursuant to Resolution No. 1089 three accounts in the Revenue Fund known as (i) the General Account, (ii) the Contingency and Replacement Account, and (iii) the Rate Stabilization Account, which accounts shall be held and used for the purposes hereinafter described.

B. The Revenues of the District shall be deposited and credited to the following accounts in the Revenue Fund and used only for the following purposes and in the following order of priority:

(i) All Revenues paid into the Revenue Fund shall first be credited to the General Account therein and applied as follows:

(a) to pay Operating Expenses, and Resource Obligations when payable as Operating Expenses, and to provide sufficient working capital for the operation of the Electric System;

(b) to make all payments required to be made into the Interest Account in the Bond Fund for the payment of accrued interest on the next interest payment date, and to make District Payments;

(c) to make all payments required to be made into the Principal Account in the Bond Fund for the payment of the principal amount of Serial Bonds next coming due, and into the Bond Retirement Account in the Bond Fund for the mandatory redemption of Term Bonds and to pay Resource Obligations not payable as Operating Expenses;

(d) to make all payments required to be made into the Reserve Account or other reserve account in the Bond Fund created to secure the payment of the Bonds and to pay reimbursement obligations related thereto; and

(e) to make all payments required to be made into any special fund or account created to pay or secure the payment of the principal of and interest on any revenue bonds, warrants or other revenue obligations of the District having a lien upon Revenues and money in the Revenue Fund and Bond Fund and accounts therein junior and inferior to the lien thereon for the payment of the principal of and interest on the Bonds.

(ii) After the payments so required to be made out of the General Account pursuant to (i) above, the District may credit any remaining Revenues to the Contingency and Replacement Account, in each Fiscal Year, up to an amount equal to 25% of the Annual Debt Service in such Fiscal Year.

(iii) After the payments so required to be made out of the General Account and the credit to the Contingency and Replacement Account pursuant to (ii) above, the District may credit any remaining Revenues to the Rate Stabilization Account.

(iv) After all of the above payments and credits have been made, amounts remaining in the General Account may be used for any other lawful purpose of the District.

Any credits from the General Account pursuant to Subsections (ii) and (iii) above, and any credits to the General Account from the Rate Stabilization Account made pursuant to Section 9.3 hereof, shall be made prior to closing the books and accounts of the District for each Fiscal Year.

C. Money in the Contingency and Replacement Account shall be used from time to time to make up any deficiencies in the Reserve Account. Money in the Contingency and Replacement Account may be used to make additions, betterments, extensions, renewals, replacements and other capital improvements to the Electric System, to retire Bonds, or may be used by the District for any other lawful purpose of the District but may not be paid directly into the Rate Stabilization Account.

The Rate Stabilization Account has heretofore been created by Resolution No. 1089 in anticipation of future increases in revenue requirements. Funds in the Rate Stabilization Account may be transferred to the General Account to accommodate part or all of those future revenue requirement increases.

Money in the Rate Stabilization Account may be used for any lawful purpose. Money in the Rate Stabilization Account shall be used from time to time to make up any deficiencies in the Bond Fund.

Nothing contained in this Section 6.1 shall be construed to require the deposit into the Revenue Fund of any of the revenues, income, receipts or other money of the District derived by the District through the ownership or operation of any separate utility system hereafter created or established from funds other than the proceeds of Bonds.

SECTION 6.2 Bond Fund.

A special fund of the District was created by Resolution No. 1130 and designated the "1985 Electric System Revenue Bond Fund" (the "Bond Fund"). The Bond Fund shall be held in trust and administered by the District and shall be used solely for the purposes of paying the principal of, premium, if any, and interest on the Bonds, and retiring the Bonds prior to maturity in the manner herein provided. The District hereby obligates and binds itself irrevocably to set aside and to pay (to the extent not otherwise provided) from money in the Revenue Fund into the Bond Fund, after paying or making provision for Operating Expenses and prior to the payment of any other charge or obligation against such Revenues, amounts sufficient to pay the principal of, premium, if any, and interest on all the Bonds from time to time outstanding as the same respectively become due and payable, either at the maturity thereof or in accordance with the terms of any Sinking Fund Requirement established for the retirement of Term Bonds. The fixed amounts to be paid into the Bond Fund, to the extent that such payments are not made from Bond proceeds or from other money which may legally be available therefor, shall be as follows and in the following order of priority, to wit:

A. There was created by Resolution No. 1130, for the purpose of paying the interest on Bonds as the same becomes due and payable, a Bond Interest Account in the Bond Fund (the "Interest Account"). On or prior to any interest payment date, the District shall pay from the Revenue Fund into the Bond Fund to the credit of the Interest Account an amount equal to the installment of interest then falling due on all Bonds then outstanding. The District may combine the Interest Account with the Principal Account and the Sinking Fund Account.

B. There was created by Resolution No. 1130 in the Bond Fund, for the purpose of paying outstanding Serial Bonds as they mature and for the purpose of redeeming Term Bonds pursuant to the Sinking Fund Requirement pertaining to such Term Bonds, the following accounts each of which shall be equal in priority:

(i) The Bond Principal Account was created for the purpose of paying outstanding Serial Bonds as they mature (the "Principal Account"). On or prior to any principal payment date, the District shall pay from the Revenue Fund into the Bond Fund to the credit of the Principal Account an amount equal to the principal amount of Serial Bonds then falling due.

(ii) The Bond Retirement Account was created for the purpose of redeeming Term Bonds pursuant to the Sinking Fund Requirement pertaining to such Term Bonds and to otherwise retire Bonds prior to maturity (hereinafter referred to as the "Bond Retirement Account"). On or prior to any sinking fund payment date, the District shall pay from the Revenue Fund into the Bond Fund to the credit of the Bond Retirement Account an amount equal to the Sinking Funding Requirement for such date.

The District shall apply all the money paid into the Bond Fund for credit to the Bond Retirement Account to the redemption of Term Bonds on the next ensuing Sinking Fund Requirement Date (or may so apply such money prior to such Sinking Fund Requirement Date), pursuant to the terms of this resolution or of the Supplemental Resolution authorizing the issuance thereof. The District may also apply the money paid into the Bond Fund for credit to the Bond Retirement Account for the purpose of retiring Term Bonds by the purchase of such Bonds at a purchase price (including accrued interest and any brokerage charge) not in excess of the principal amount thereof, in which event the principal amount of such Bonds so purchased shall be credited against the next ensuing Sinking Fund Requirement. If as of any November 1 the principal amount of Term Bonds retired by purchase or redemption exceeds the cumulative amount required to have been redeemed by sinking fund installments on or before such November 1, then such excess may be credited against the Sinking Fund Requirement for the Term Bonds for the following 12-month period. Any such purchase of Bonds by the District may be made with or without tenders of Bonds in such manner as the District shall, in its discretion, deem to be in its best interest.

C. There was created by Resolution No. 1130 a "Bond Reserve Account" in the Bond Fund (the "Reserve Account"). The Designated Representative shall determine if the 2026 Bonds are to be secured by the Reserve Account or a separate reserve account as provided later in this subsection, and if they will be secured by a separate reserve account the reserve requirement may be zero. If necessary, the District will deposit proceeds of the 2026 Bonds or other District funds into the Reserve Account to fund the Reserve Account Requirement. Upon the issuance of the 2026 Bonds, cash in the Reserve Account along with the Endorsement No. 1 to Municipal Bond Debt Service Reserve Insurance Policy dated September 29, 2020 issued by Assured Guaranty Municipal Corp. (the "Reserve Policy") (as may be amended), and 2026 Bond proceeds, if necessary, will be in an amount equal to the least of (i) the maximum Annual Debt Service, (ii) 125% of the Average Annual Debt Service, or (iii) the amount permitted by the Code to be funded from proceeds of tax-exempt Bonds for those Bonds which are secured by the Reserve

Account. In the event of the issuance of any Additional Bonds to be secured by the Reserve Account, the Supplemental Resolution authorizing the issuance of such Additional Bonds shall provide for further and additional approximately equal monthly payments into the Bond Fund for credit to the Reserve Account from the money in the Revenue Fund, in such amounts and at such times so that by no later than five years from the date of issuance of such Additional Bonds or by the final maturity established for such series of Additional Bonds, whichever occurs first, there will be credited to the Reserve Account an amount equal to the Reserve Account Requirement at the date of issuance of such Additional Bonds; provided, however, that the proceedings authorizing the issuance of Additional Bonds may provide for payments into the Bond Fund for credit to the Reserve Account from the proceeds of such Additional Bonds or from any other money lawfully available therefor, in which event, in providing for deposits and credits required by the foregoing provisions of this paragraph, allowance shall be made for any such amounts so paid into such Account.

Subject to the two preceding sentences, the money and value of Permitted Investments in the Reserve Account shall be determined as of the last business day of each Fiscal Year and maintained at an amount at least equal to the Reserve Account Requirement, except where it is necessary for the District to make a transfer therefrom to the Interest Account, Principal Account or Bond Retirement Account because of an insufficiency of money therein to make any required payment of principal of or interest on any Bonds when due. The District shall make up any deficiencies in such account arising because of such transfer, or because of an insufficient value of money and Permitted Investments in such account, in not more than 18 approximately equal consecutive monthly installments into the Reserve Account.

If at any time the money and value of Permitted Investments in the Reserve Account shall exceed the amount of money and value of Permitted Investments then required to be maintained, such excess may be transferred to the Bond Fund.

For the purposes of valuation of Permitted Investments pursuant to this Section 6.2C, the value of Permitted Investments shall be computed as follows: (a) the value of obligations that mature within six months from the date of purchase thereof shall be the purchase price of such obligations; and (b) the value of obligations that mature more than six months after the date of purchase thereof shall be the lesser of (i) the principal or face amount of such obligations, or (ii) the bid quotation price thereof as of the fifth business day next preceding the date of such determination as reported in The Wall Street Journal, or in the event such newspaper is not published or such price is not reported in said newspaper, in a newspaper of general circulation or a financial journal published in the Borough of Manhattan, District and State of New York, or (iii) the price at which such obligations are then redeemable by the owner at his option. The computations made under this paragraph shall not include accrued interest. The value of obligations maturing more than six months after the date/purchase shall be the bid quotation price described in this paragraph.

In making the payments and credits to the Principal Account, Interest Account, Bond Retirement Account and Reserve Account required by this Section 6.2, to the extent that such payments are made from Bond proceeds, from money in any capitalized interest account, or from other money that may legally be available, such payments are not required to be made from the Revenue Fund.

Notwithstanding the provisions of this Subsection 6.2C, any resolution providing for the issuance of Additional Bonds may provide (or the Commission may provide by resolution at any other time) for the District to obtain Qualified Insurance or a Qualified Letter of Credit for specific amounts required pursuant to this Section to be paid out of the Bond Reserve Account. The face amount of any such Qualified Insurance or Qualified Letter of Credit shall be credited against the amounts required to be maintained in the Reserve Account by this Section to the extent that such payments and credits to be made are insured by an insurance company, or guaranteed by a letter of credit from a financial institution. Such Qualified Letter of Credit or Qualified Insurance shall not be cancelable on less than five years notice. In the event of any cancellation, the Bond Reserve Account shall be funded in accordance with the provisions of Section 6.2C hereof providing for payment to the Reserve Account in the event of a deficiency therein.

The resolution authorizing any Additional Bonds may establish a separate debt service reserve account for any such Additional Bonds and set forth the reserve account requirement for such bonds or provide that some or all of such Additional Bonds be secured by the Reserve Account.

D. In the event that there shall be a deficiency in the Interest Account, Principal Account or Bond Retirement Account in the Bond Fund, the District shall promptly make up such deficiency from the Reserve Account for those Bonds secured by such Reserve Account by the withdrawal of cash therefrom for that purpose and by the sale or redemption of obligations held in the Reserve Account, if necessary, in such amounts as will provide cash in the Reserve Account sufficient to make up any such deficiency. The District covenants and agrees that any deficiency created in the Reserve Account or other reserve account by reason of any withdrawal therefrom for payment into the Interest Account, Principal Account or Bond Retirement Account shall be made up from money in the Revenue Fund first available after making provision first for payment of Operating Expenses and then for the required payments into such Interest, Principal and Bond Retirement Accounts.

Money in the Bond Fund shall be transmitted to the Paying Agent in amounts sufficient to meet the maturing installments of principal of, premium, if any, and interest on the Bonds when due. Whenever the assets of the Bond Fund shall be sufficient to provide money to retire all Bonds then outstanding, including such interest thereon as thereafter may become due and payable and any premiums upon redemption thereof, no further payments need to be made into the Bond Fund. All money remaining in the Bond Fund after provision for the payment in full of the principal of, premium, if any, and interest on the Bonds shall be returned to the Revenue Fund.

The Bond Fund shall be drawn upon solely for the purpose of paying the principal of, premium, if any, and interest on the Bonds. Money set aside from time to time with the Paying Agent for such payment shall be held in trust for the owners of the Bonds in respect of which the same shall have been so set aside. Until so set aside, all money in the Bond Fund shall be held in trust for the benefit of the owners of all Bonds at the time outstanding equally and ratably.

SECTION 6.3 Construction Fund.

There has been created a special fund of the District known as the Construction Fund (the "Construction Fund"). Money in the Construction Fund shall be used solely for the purpose of paying the cost of the acquisitions and improvements described in Section 2.2 or other improvements to the Electric System and paying costs of issuing the 2026 Bonds. The 2026 Bond proceeds for the Projects deposited in the Construction Fund and not immediately needed to pay the costs of such improvements and costs incidental thereto may be temporarily invested in Permitted Investments, which will mature prior to the date on which the money so invested shall be needed. All interest earned and income or profits derived by virtue of such investments shall be kept in the Construction Fund. Upon completion of the Projects, any 2026 Bond proceeds and investment earnings thereon not required for such improvements or other capital improvements as approved by the Commission shall be deposited in the Bond Fund and used to redeem outstanding Bonds at the earliest date on which such Bonds shall mature or be callable.

SECTION 6.4 Investment of Funds.

District funds may be invested in any manner permitted by Washington law. Except to the extent there are deficiencies in any account in the Bond Fund, all income received from the investment of money in the Bond Fund and the Revenue Fund shall be from time to time deposited in the Revenue Fund.

All money held or set aside by the District in the Revenue Fund and Bond Fund shall, until otherwise invested or applied as provided in this resolution, be deposited by the District in its name, for the account of the Revenue Fund (and the appropriate account therein) or the Bond Fund (and the appropriate account therein), as the case may be, in such depositary or depositaries as the District shall at any time or from time to time appoint for such purpose. All money so deposited shall be secured in the manner prescribed by the laws of the State of Washington for the securing of funds of the District.

ARTICLE VII
REFUNDING

SECTION 7.1 Refunding of the Refunded Bonds.

A. *Appointment of Refunding Trustee*. If necessary, the Designated Representative is authorized to appoint a Refunding Trustee in connection with the 2026 Bonds.

B. *Use of Bond Proceeds; Acquisition of Acquired Obligations*. A sufficient amount of the proceeds of the sale of the 2026 Bonds, and other funds of the District if needed, shall be deposited immediately upon the receipt thereof with the Refunding Trustee or fiscal agent for the Refunded Bonds, and used to discharge the obligations of the District relating to the Refunded Bonds under the resolutions authoring the Refunded Bonds by providing for the payment of the amounts required to be paid by the Refunding Plan. To the extent practicable, such obligations shall be discharged fully by the Refunding Trustee's simultaneous purchase of the Acquired Obligations, if available, bearing such interest and maturing as to principal and interest in such amounts and at such times so as to provide, together with a beginning cash balance, if necessary, for the payment of the amount required to be paid by the Refunding Plan. The Acquired Obligations, if acquired, will be listed and more particularly described in an exhibit to be attached to the Refunding Trust Agreement between the District and the Refunding Trustee, but are subject to substitution as set forth below. Any 2026 Bond proceeds or other money deposited with the

Refunding Trustee not needed to purchase the Acquired Obligations and provide a beginning cash balance, if any, and pay the costs of issuance of the 2026 Bonds shall be returned to the District at the time of delivery of the 2026 Bonds to the initial purchaser thereof and deposited in the Construction Fund and used for the Projects.

If payment of the costs of issuance of the 2026 Bonds is not included in the Refunding Plan, the 2026 Bond proceeds that are not deposited with the Refunding Trustee or required for the Projects will be deposited with the Treasurer on behalf of the District to be used to pay the costs of issuance of the 2026 Bonds.

C. *Substitution of Acquired Obligations*. Prior to the purchase of any Acquired Obligations by the Refunding Trustee, the District reserves the right to substitute other direct, noncallable obligations of the United States of America ("Substitute Obligations") for any of the Acquired Obligations and to use any savings created thereby for any lawful District purpose if, (a) in the opinion of the District's bond counsel, the interest on any 2026 Bonds issued as tax-exempt and the Refunded Bonds will remain excluded from gross income for federal income tax purposes under Sections 103, 148, and 149(d) of the Code, and (b) such substitution shall not impair the timely payment of the amounts required to be paid by the Refunding Plan, as verified by a nationally recognized independent certified public accounting firm.

After the purchase of the Acquired Obligations by the Refunding Trustee, the District reserves the right to substitute therefor cash or Substitute Obligations subject to the conditions that such money or securities held by the Refunding Trustee shall be sufficient to carry out the Refunding Plan, that such substitution will not cause the 2026 Bonds or the Refunded Bonds to be arbitrage bonds within the meaning of Section 148 of the Code and regulations thereunder in effect on the date of such substitution and applicable to obligations issued on the issue dates of the 2026 Bonds and the Refunded Bonds, as applicable, and that the District obtain, at its expense: (1) a verification by a nationally recognized independent certified public accounting firm acceptable to the Refunding Trustee confirming that the payments of principal of and interest on the substitute securities, if paid when due, and any other money held by the Refunding Trustee will be sufficient to carry out the Refunding Plan; and (2) an opinion from a nationally recognized bond counsel to the District, to the effect that the disposition and substitution or purchase of such securities, under the statutes, rules, and regulations then in force and applicable to the 2026 Bonds, will not cause the interest on the 2026 Bonds issued as tax-exempt or the Refunded Bonds to be included in gross income for federal income tax purposes and that such disposition and substitution or purchase is in compliance with the statutes and regulations applicable to the 2026 Bonds. Any surplus money resulting from the sale, transfer, other disposition, or redemption of the Acquired Obligations and the substitutions therefor shall be released from the trust estate and transferred to the District to be used for any lawful District purpose.

D. *Administration of Refunding Plan*. The Refunding Trustee is authorized and directed to purchase the Acquired Obligations (or substitute obligations), if so directed by the Designated Representative, and to make the payments required to be made by the Refunding Plan from the Acquired Obligations (or substitute obligations) and money deposited with the Refunding Trustee pursuant to this resolution. All Acquired Obligations (or substitute obligations) and the money deposited with the Refunding Trustee and any income therefrom shall be held irrevocably, invested and applied in accordance with the provisions of the resolutions authorizing the Refunded

Bonds, this resolution, chapter 39.53 RCW and other applicable statutes of the State of Washington and the Refunding Trust Agreement. All necessary and proper fees, compensation, and expenses of the Refunding Trustee for the 2026 Bonds and all other costs incidental to the setting up of the escrow to accomplish the refunding of the Refunded Bonds and costs related to the issuance and delivery of the 2026 Bonds, including bond printing, Bond Counsel's fees, financial advisory fees, and other related expenses, shall be paid out of the proceeds of the 2026 Bonds.

E. *Authorization for Refunding Trust Agreement*. If necessary to carry out the Refunding Plan provided for by this resolution, the Designated Representative is authorized and directed to execute and deliver to the Refunding Trustee a Refunding Trust Agreement setting forth the duties, obligations and responsibilities of the Refunding Trustee in connection with the payment, redemption, and retirement of the Refunded Bonds as provided herein and stating that the provisions for payment of the fees, compensation, and expenses of such Refunding Trustee set forth therein are satisfactory to it. Prior to executing the Refunding Trust Agreement, the Designated Representative is authorized to make such changes therein that do not change the substance and purpose thereof or that assure that the escrow provided therein and the 2026 Bonds are in compliance with the requirements of federal law governing the exclusion of interest on the 2026 Bonds from gross income for federal income tax purposes.

SECTION 7.2 Call for Redemption of the Refunded Bonds.

The District calls for redemption on such date(s) as determined by the Designated Representative all of the Refunded Bonds at par plus accrued interest to the date(s) of redemption. Such call for redemption shall be irrevocable after the delivery of the 2026 Bonds to the initial purchaser thereof.

The proper District officials are authorized and directed to give or cause to be given such notices as required, at the times and in the manner required, pursuant to the resolutions authorizing the Refunded Bonds in order to effect the redemption prior to their maturity of the Refunded Bonds.

SECTION 7.3 Findings with Respect to Refunding.

The Commission authorizes the Designated Representative to issue the refunding portion of the 2026 Bonds if it is in the best interest of the District and its ratepayers. In making such finding and determination, the Designated Representative will give consideration to the fixed maturities of the 2026 Bonds and the Refunded Bonds, the costs of issuance of the 2026 Bonds and the known earned income from the investment of the proceeds of the issuance and sale of the 2026 Bonds and other money of the District used in the Refunding Plan, if any, pending payment and redemption of the Refunded Bonds.

The Designated Representative may also purchase Acquired Obligations to be deposited with the Refunding Trustee, together with the income therefrom, and with any necessary beginning cash balance, which will be sufficient to redeem the Refunded Bonds and will discharge and satisfy the obligations of the District under the resolutions authorizing such Refunded Bonds with respect to the Refunded Bonds, and the pledges, charges, trusts, covenants, and agreements of the District therein made or provided for as to the Refunded Bonds, and that the Refunded Bonds shall no longer be deemed to be outstanding under such resolutions immediately upon the deposit of such money with the Refunding Trustee.

ARTICLE VIII
FORM OF BONDS

SECTION 8.1 Form of 2026 Bonds.

The 2026 Bonds shall be in substantially the following form:

No. ________ $______

UNITED STATES OF AMERICA
STATE OF WASHINGTON
PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, WASHINGTON
ELECTRIC REVENUE AND REFUNDING BOND, SERIES 2026

INTEREST RATE: MATURITY DATE: CUSIP NO.:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

Public Utility District No. 1 of Benton County, Washington, a municipal corporation of the State of Washington (the "District"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date identified above, the Principal Amount indicated above and to pay interest thereon from the date of issuance at the Interest Rate set forth above, payable on the first days of each _______ and _________, commencing on ___________, 20___. Both principal of and interest on this bond are payable in lawful money of the United States of America. For so long as the bonds of this issue are held in fully immobilized form, payments of principal and interest thereon shall be made as provided in accordance with the operational arrangements of DTC referred to in the Blanket Issuer Letter of Representations from the District to DTC.

Principal of and interest and premium, if any, on this bond are payable solely out of the special fund of the District known as the "1985 Electric System Revenue Bond Fund" (the "Bond Fund").

This bond is one of a duly authorized series of bonds aggregating $_________ in principal amount and designated as "Electric Revenue and Refunding Bonds, Series 2026" (the "Bonds"). The Bonds are issued under and pursuant to Resolution No. _____ adopted on __________, 2026 (the "Bond Resolution"), and under the authority of and in full compliance with the Constitution and laws of the State of Washington, including Title 54 of the Revised Code of Washington. Capitalized terms used on this Bond and not otherwise defined shall have the meanings given such terms in the Bond Resolution.

The Bonds are issued to finance capital improvements to the District's Electric System, to refund certain outstanding bonds of the District, [to fund [the/a] Reserve Account] and to pay costs of issuing such bonds. The Bond Resolution permits the issuance of Additional Bonds payable from the Bond Fund ranking on a parity with the Bonds, and secured by an equal charge and lien on the Revenues of the Electric System.

Copies of the Bond Resolution are on file at the principal office of the District and at the designated office of the Bond Registrar, and reference thereto, and to any and all modifications and amendments thereof, is hereby made for a more complete description of the Revenues available for the payment of the principal of, premium, if any, and interest on the Bonds and the rights and remedies of the owners of the Bonds with respect thereto, the terms and conditions upon which the Bonds have been issued, and the terms and conditions upon which this Bond shall no longer be secured by the Bond Resolution or deemed to be outstanding hereunder if money or certain specified securities sufficient for the payment of this Bond shall have been set aside in a special account and held in trust solely for the payment thereof.

Under the Bond Resolution, the District is obligated to set aside and pay into the Bond Fund out of the Revenues of the Electric System, certain fixed amounts sufficient to pay the principal of and interest and premium, if any, on all Bonds and any bonds at any time outstanding issued on a parity therewith payable from such Fund as the same become due and payable, all as is more fully provided in the Bond Resolution. The outstanding Electric Revenue Bonds, Series 2010 (Taxable Build America Bonds – Direct Payment), [the Electric Revenue and Refunding Bonds, Series 2016,] the Electric Revenue Bonds, Series 2020A, the Electric Revenue Bonds, Series 2023, and the Bonds, and any bonds issued on a parity therewith payable from the Bond Fund and the interest thereon and any Parity Lien Obligations, constitute the only charge against the Bond Fund and the amount of the Revenues pledged to said Bond Fund subject to prior application for the payment of Operating Expenses and Resource Obligations qualifying for payment as Operating Expenses.

In and by the Bond Resolution, the District covenants to establish, maintain and collect rates or charges for electric energy and other services, facilities and commodities sold, furnished or supplied by the Electric System of the District which shall be fair and nondiscriminatory and adequate to provide Revenues sufficient for the fixed amounts which the District is obligated to set aside in the Bond Fund to pay the principal of and interest and premium, if any, on this Bond and the series of Bonds of which this Bond is a part, and any other bonds payable from said Fund on a parity with the Bonds and for the proper operation and maintenance of the Electric System, and all necessary repairs thereto and replacements and renewals thereof.

This Bond shall be transferable by the registered owner at the designated office of the Bond Registrar upon surrender and cancellation of this Bond, and thereupon a new registered Bond of the same principal amount and interest rate and maturity will be issued to the transferee as provided in the Bond Resolution. The District, the Bond Registrar and any other person may treat the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment hereof and for all purposes and shall not be affected by any notice to the contrary, whether this Bond be overdue or not.

The Bonds are subject to redemption as provided in the Bond Resolution and the Official Statement prepared in connection with the Bonds.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication hereon shall have been manually signed by the Bond Registrar.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and statutes of the State of Washington to exist, to have happened and to have been performed precedent to and in the issuance of this bond do exist, have happened and have been performed in due time, form and manner as prescribed by law, and that the amount of this bond, together with all other obligations or indebtedness of the District, does not exceed any constitutional or statutory limitations of indebtedness.

IN WITNESS WHEREOF, Public Utility District No. 1 of Benton County, Washington, by its Commission, has caused this Bond to be executed in its name with the manual or facsimile signature of the President or Vice President of its Commission, and attested by the manual or facsimile signature of the Secretary thereof, and the manual or facsimile seal of said District to be imprinted hereon, all as of the ____ day of __________, 2026.

PUBLIC UTILITY DISTRICT NO. 1
OF BENTON COUNTY, WASHINGTON

/s/ specimen
Commission President

(SEAL)

Attest:

/s/ specimen
Commission Secretary

CERTIFICATE OF AUTHENTICATION

Date of Authentication: ______________________

This is one of the Electric Revenue and Refunding Bonds, Series 2026 of Public Utility District No. 1 of Benton County, Washington, dated ____________, 2026, as described in the Bond Resolution.

WASHINGTON STATE FISCAL AGENT, Bond Registrar

By _________________________________
Authorized Signer

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____
____

PLEASE INSERT SOCIAL SECURITY OR TAXPAYER
IDENTIFICATION NUMBER OF TRANSFEREE

____

(Please print or typewrite name and address, including zip code, of Transferee)

____

the within bond and does hereby irrevocably constitute and appoint _________________ of ___________________, or its successor, as Bond Registrar to transfer said bond on the books kept for registration thereof with full power of substitution in the premises.

DATED: _________________, ____.

SIGNATURE GUARANTEED:

____

Signature(s) must be guaranteed pursuant to law.

____

NOTE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

ARTICLE IX
COVENANTS TO SECURE BONDS

The District covenants and agrees with the purchasers and owners of all Bonds issued pursuant to this resolution, so long as any such Bonds are outstanding, as follows:

SECTION 9.1 Security for Bonds.

All Bonds and Parity Lien Obligations are special limited obligations of the District payable from and secured solely by Revenues, subject to the payment of Operating Expenses and Resource Obligations qualifying for payment as Operating Expenses and by other money and assets specifically pledged hereunder for the payment thereof. There are hereby pledged as security for the payment of the principal of, premium, if any, and interest on all Bonds and all Parity Lien Obligations in accordance with the provisions of this resolution, subject only to the provisions of this resolution restricting or permitting the application thereof for the purposes and on the terms and conditions set forth in this resolution: (i) the Revenues, and (ii) the money and investments, if any, credited to the Revenue Fund, the Construction Fund and the Bond Fund, and the income therefrom. The Revenues and other money and securities hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the District regardless of whether such parties have notice thereof.

All Bonds and Parity Lien Obligations now or hereafter outstanding shall be equally and ratably payable and secured hereunder without priority by reason of date of adoption of the resolution providing for their issuance or by reason of their series, number or date of sale, issuance, execution or delivery, or by the liens, pledges, charges, trusts, assignments and covenants made herein, except as otherwise expressly provided or permitted in this resolution and except as to insurance which may be obtained by the District to insure the repayment of one or more series or maturities within a series.

The pledge of the Revenue and of the amounts to be paid into and maintained in the funds and accounts described above in this Section to pay and secure the payment of Bonds and Parity Lien Obligations is hereby declared to be a prior lien and charge on the Revenues and the money and investments in such funds and accounts, subject to provision for payment of Operating Expenses as provided in Section 6.1B hereof, and Resource Obligations qualifying for payment as Operating Expenses, and superior to all other liens and charges of any kind or nature.

Bonds shall not in any manner or to any extent constitute general obligations of the District or of the State of Washington, or any political subdivision of the State of Washington, or a charge upon any general fund or upon any money or other property of the District or of the State of Washington, or of any political subdivision of the State of Washington, not specifically pledged thereto by this resolution.

SECTION 9.2 Rate Covenant – General.

The District will establish, maintain and collect rates and charges for electric power and energy and other services, facilities and commodities sold, furnished or supplied through the facilities of the Electric System which shall be fair and nondiscriminatory and adequate to provide Revenues sufficient for the punctual payment of the principal of, premium, if any, and interest on the Bonds and Parity Lien Obligations for which the payment has not otherwise been provided, for all payments which the District is obligated to make into the Bond Fund, and for the proper operation and maintenance of the Electric System, and all necessary repairs, replacements and renewals thereof, including the payment of all taxes, assessments or other governmental charges lawfully imposed on the Electric System or the Revenues therefrom, or payments in lieu thereof, and the payment of all other amounts which the District may now or hereafter become obligated to pay from the Revenues by law or contract.

SECTION 9.3 Rate Covenant – Debt Service Coverage.

The District will also establish, maintain and collect rates and charges which shall be adequate to provide in each Fiscal Year Net Revenues in an amount equal to at least 1.25 times the Annual Debt Service on the then outstanding Bonds in such Fiscal Year. For the purpose of meeting the requirement of this Section, (i) there may be added to Net Revenues for any Fiscal

Year such amount, not greater than the Annual Debt Service for such Fiscal Year, withdrawn from the Rate Stabilization Account and deposited in the General Account, and (ii) there must be subtracted from Net Revenues for any Fiscal Year such amounts as are withdrawn from the General Account and deposited into the Rate Stabilization Account for such Fiscal Year.

The failure to collect Revenues in any Fiscal Year sufficient to comply with the covenant contained in this Section 9.3 shall not constitute an Event of Default if the District, before the 100th day of the following Fiscal Year:

A. Employs a Consulting Engineer to recommend changes in the District's rates which are estimated to produce Revenues sufficient (once the rates recommended by the Consulting Engineer have been imposed by the District) to meet the requirements of this Section; and

B. Promptly imposes rates at least as high as those recommended by such Consulting Engineer.

The calculation of the coverage requirement set forth above, and in Section 4.2 hereof, and the District's compliance therewith, may be made solely with reference to this resolution without regard to future changes in generally accepted accounting principles. If the District has changed one or more of the accounting principles used in the preparation of its financial statements, because of a change in generally accepted accounting principles or otherwise, then an event of default relating to this coverage requirement shall not be considered an Event of Default if the coverage requirement ratio would have been complied with had the District continued to use those accounting principles employed at the date of the most recent audited financial statements prior to the date of this resolution.

SECTION 9.4 Restrictions on Contracting of Obligations Secured by Revenues.

A. The District will not hereafter create any other special fund or funds for the payment of revenue bonds, warrants or other revenue obligations, or issue any bonds, warrants or other obligations or create any additional indebtedness which will rank on a parity with or prior to the charge and lien on the Revenues or properties of the Electric System for the payments into the Bond Fund, except as provided under Article IV hereof.

B. Additional Bonds may be issued as provided in Article IV.

C. The District may issue bonds, notes, warrants or other obligations payable from and secured by a lien on the Revenues of the Electric System that is subordinate or inferior to the lien on such Revenues securing the Bonds and may create a special fund or funds for payment of such subordinate obligations.

D. The District shall not hereafter enter into any agreement obligating the District to pay, from Revenues, for (a) generating or transmission capacity or the use or lease of generating or transmission facilities, which agreement is not conditional on the availability of such capacity or facility, or (b) the installment purchase or lease of property which, whether or not subject to annual appropriations, otherwise transfers to the District the burdens and benefits of ownership of such property, unless such agreement specifically states that the obligation of the District thereunder is junior to the obligation of the District to make payments from the Revenue Fund into the Bond Fund. This Section shall not apply to Resource Obligations.

SECTION 9.5 Covenant to Maintain System in Good Condition.

The District shall at all times maintain, preserve and keep, or cause to be maintained, preserved and kept, the properties of the Electric System and all additions and betterments thereto and extensions thereof and every part and parcel thereof, in good repair, working order and condition, and will from time to time make, or cause to be made, all necessary and proper repairs, renewals, replacements, extensions and betterments thereto so that at all times the business carried on in connection therewith shall be properly and advantageously conducted. The District will at all times operate such properties and the business in connection therewith or cause such properties and business to be operated in an efficient manner and at a reasonable cost.

SECTION 9.6 Covenants Concerning Disposal of Properties of System.

The District shall not sell, mortgage, lease or otherwise dispose of the properties of the Electric System except as provided in this Section.

A. The District will not sell or otherwise dispose of the Electric System in its entirety unless simultaneously with such sale or other disposition, provision is made for the payment, redemption or other retirement of all Bonds then outstanding.

B. Except as provided in Section 9.6C below, the District will not sell or otherwise dispose of any part of the Electric System unless provision is made for the payment, redemption or other retirement of a principal amount of Bonds equal to the greater of the following amounts, provided such amount is in excess of $100,000:

(i) An amount which will be in the same proportion to the net principal amount of Bonds then outstanding (defined as the total principal amount of Bonds outstanding less the amount of cash and investments in the Bond Fund) that the Revenues attributable to the part of the Electric System sold or disposed of for the 12 preceding months bears to the total Revenues for such period; or

(ii) An amount which will be in the same proportion to the net principal amount of Bonds then outstanding that the book value of the part of the Electric System sold or disposed of bears to the book value of the entire Electric System immediately prior to such sale or disposition.

The District shall only be required to comply with the requirements of Subsections (i) and (ii) above if the proceeds of such sale, lease or other disposition shall be in excess of 5% of the value of the net utility plant of the Electric System.

C. The District may sell or otherwise dispose of any part of the Electric System which shall have become unserviceable, inadequate, obsolete or unfit to be used in the operation of the Electric System, or no longer necessary, material to or useful in such operation, and may also sell or otherwise dispose of street lighting systems now or hereafter owned by the District at the fair value thereof. The District may sell or otherwise dispose of street lighting systems now or hereafter owned by the District at a price permitted by law. The proceeds of any such sale or disposition pursuant to this Section 9.6C shall be paid into the Bond Fund for credit to the Reserve Account to the extent of any deficiency in such Reserve Account, and the balance of such proceeds, if any, shall be deposited in the Revenue Fund.

SECTION 9.7 Insurance.

The District shall either self-insure or, as needed, and to the extent insurance coverage is available at reasonable cost with responsible insurers, keep, or cause to be kept, the Electric System and the operation thereof insured, with policies payable to the District, against the risks of direct physical loss, damage to or destruction of the Electric System, or any part thereof, and against accidents, casualties or negligence, including liability insurance and employer's liability, at least to the extent that similar insurance is usually carried by electric utilities operating like properties.

In the event of any loss or damage to the properties of the Electric System covered by insurance, the District will (a) with respect to each such loss, promptly repair and reconstruct to the extent necessary to the proper conduct of the operations of the Electric System the lost or damaged portion thereof and shall apply the proceeds of any insurance policy or policies covering such loss or damage for that purpose to the extent required therefore, unless in the case of loss or damage involving 2% of the value of the net utility plant of the Electric System or more, such repair and reconstruction is not recommended by a Consulting Engineer hired by the District, and (b) if the District shall not use the entire proceeds of such insurance to repair or reconstruct such lost or damaged property, such insurance proceeds thereof not so used shall be paid into the Revenue Fund, and if in excess of 2% of the value of the net utility plant of the Electric System for any one loss or damage, shall be used to purchase or redeem Bonds or to acquire or construct extensions, betterments and improvements to the Electric System.

SECTION 9.8 Books of Account.

The District shall keep proper books of account as required by this resolution in accordance with the rules and regulations prescribed by the Division of Municipal Corporations of the Office of the State Auditor of the State of Washington, or other State department or agency succeeding to such duties of the State Auditor's office, and if no such rules or regulations are prescribed, then in substantial accordance with the uniform system of accounts prescribed by the Federal Energy Regulatory Commission or other federal agencies having jurisdiction over electric public utility companies owning and operating properties similar to the electric properties operated by the District, whether or not the District is at that time required by law to use such system of accounts. The District shall cause its books of account to be audited by the Office of the State Auditor or other state agency as may be authorized and directed by law to make such audit, or if the audit shall not be made within twelve months after the close of any Fiscal Year of the District, then the District shall cause such audit to be made by independent certified public accountants licensed, registered or entitled to practice, and practicing as such, under the laws of the State of Washington who, or each of whom, is in fact independent and does not have any interest, direct or indirect, in any contract with the District other than his contract of employment pursuant to this Section and who is not connected with the District as an officer or employee of the District. In keeping the books of account, the District shall accrue depreciation monthly on depreciable properties operated by the District in accordance with the accounting practice prescribed by the uniform system of accounts of the Federal Energy Regulatory Commission above mentioned. The District will furnish a copy of the most recent audit report to any owner of Bonds upon written request therefore. Any owner of Bonds may also obtain at the office of the District copies of the balance sheet and income and expense statements showing in reasonable detail the financial condition of the Electric System as of the close of each Fiscal Year, including the transactions relating to the Revenue Fund, the Bond Fund, and all other funds and accounts created or maintained pursuant to the provisions of this resolution.

SECTION 9.9 Covenant Not to Render Service Free of Charge.

So long as any Bonds are outstanding, the District shall not furnish or supply or permit the furnishing or supplying of electric energy or any other commodity, service or facility furnished by or in connection with the operation of the Electric System free of charge to any person, firm or corporation, public or private, and, as allowed by law, the District will promptly enforce the payment of any and all accounts owing to the District and delinquent, by discontinuing service or by filing suits, actions or proceedings, or by both discontinuance of service and filing suit; provided, that to the extent permitted by law, the District may loan money and may provide commodities, services or facilities free of charge or at a reduced charge in connection with a plan of conservation of electric energy or senior citizen or indigent ratepayer discounts adopted by the Commission.

SECTION 9.10 Tax Covenants.

A. *Preservation of Tax Exemption for Interest on the 2026 Bonds*. The District covenants that it will take all actions necessary to prevent interest on any 2026 Bonds issued as tax-exempt obligations from being included in gross income for federal income tax purposes, and it will neither take any action nor make or permit any use of proceeds of the 2026 Bonds issued as tax-exempt obligations or other funds of the District treated as proceeds of the 2026 Bonds issued as tax-exempt obligations that will cause interest on the 2026 Bonds issued as tax-exempt obligations to be included in gross income for federal income tax purposes. The District also covenants that it will, to the extent the arbitrage rebate requirements of Section 148 of the Code are applicable to the 2026 Bonds, take all actions necessary to comply (or to be treated as having complied) with those requirements in connection with the 2026 Bonds issued as tax-exempt obligations.

B. *Post-Issuance Compliance*. The Treasurer is authorized and directed to review and update, if needed, the District's written procedures to facilitate compliance by the District with the covenants in this resolution and the applicable requirements of the Code that must be satisfied after the issue date to prevent interest on the 2026 Bonds from being included in gross income for federal tax purposes.

C. *Designation of 2026 Bonds as "Qualified Tax-Exempt Obligations*." A Series of the 2026 Bonds may be designated as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code, if the following conditions are met:

(i) the Series does not constitute "private activity bonds" within the meaning of Section 141 of the Code;

(ii) the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds and other obligations not required to be included in such calculation) that the District and any entity subordinate to the District (including any entity that the District controls, that derives its authority to issue tax-exempt obligations from the District, or that issues tax-exempt obligations on behalf of the District) will issue during the calendar year in which the Series is issued will not exceed $10,000,000; and

(iii) the amount of tax-exempt obligations, including the Series, designated by the District as "qualified tax-exempt obligations" for the purposes of Section 265(b)(3) of the Code during the calendar year in which the Series is issued does not exceed $10,000,000.

ARTICLE X
SUPPLEMENTAL AND AMENDATORY RESOLUTIONS

SECTION 10.1 Amendments Without Consent of Bondowners.

The District may adopt at any time and from time to time without the consent of the owners of any Bonds a resolution or resolutions supplemental to or amendatory of any Outstanding Parity Bond Resolution, this resolution and any Supplemental Resolution theretofore adopted for any one or more of the following purposes:

A. To provide for the issuance of Additional Bonds pursuant to Article IV hereof and Parity Lien Obligations, and to prescribe the terms and conditions pursuant to which such Bonds or Parity Lien Obligations may be issued, paid or redeemed;

B. To add additional covenants and agreements of the District for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the District contained in this resolution or any Supplemental Resolution;

C. To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the District payable from the Revenues which are not contrary to or inconsistent with the limitations and restrictions thereon theretofore in effect;

D. To surrender any right, power or privilege reserved to or conferred upon the District by the terms of this resolution;

E. To confirm as further assurance any pledge under, and the subjection to any lien, claim or pledge created or to be created by, the provisions of this resolution of the Revenues or of any other money, securities or funds;

F. To cure any ambiguity or defect or inconsistent provision of any Outstanding Parity Bond Resolution, this resolution or any Supplemental Resolution or to insert such provisions clarifying matters or questions arising under this resolution or any Supplemental Resolution as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with this resolution or any Supplemental Resolution as theretofore in effect;

G. To modify any of the provisions of any Outstanding Parity Bond Resolution, this resolution, or any Supplemental Resolution in any other respect; provided that such modification shall not be effective until after the Bonds outstanding as of the date of adoption of such resolution shall cease to be outstanding, and any Bonds issued under such resolution shall contain a specific reference to the modifications contained in such subsequent resolution; or

H. To modify the provisions of this resolution in any other respect, if such amendment does not materially and adversely affect the holders of any Bonds.

SECTION 10.2 Supplemental Resolutions with Consent of Owners of Bonds. With the consent of the owners of not less than 66-2/3% (once the 2010 Bonds and the 2016 Bonds are no longer outstanding, with the consent of the owners of not less than 51%) in aggregate principal amount of the Bonds at the time outstanding, the Commission may adopt a resolution or resolutions supplemental hereto or to any Additional Bond resolution for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this resolution or of any Additional Bond resolution, but no such Supplemental Resolution shall:

A. Extend the fixed maturity of any Bonds or Outstanding Parity Bonds or the time of payment of interest thereon from the established due date, or reduce the rate of interest thereon or the amount of the principal thereof, or reduce any premium payable on the redemption thereof, or accelerate any redemption provision, without the written consent of the owner of each Bond or Outstanding Parity Bond so affected;

B. Reduce the aforesaid percentage of Bondowners required to approve any such Supplemental Resolution, without the written consent of the owners of all of the Bonds and Additional Bonds then outstanding;

C. Give to any Bond, Outstanding Parity Bond or Parity Lien Obligation any preference over any other obligation; or

D. Authorize the creation of any pledge prior to or, except as provided in Section 4.2 for the issuance of Additional Bonds, on a parity with the pledge afforded by this resolution, without the consent of the owner of each such Bond or Outstanding Parity Bond affected thereby.

It shall not be necessary for Bondowners to approve the particular form of any proposed Supplemental Resolution, but it shall be sufficient if such consent shall approve the substance thereof.

SECTION 10.3 Effect of Supplemental Resolutions. Upon the adoption and delivery of any Supplemental Resolution pursuant to this Article X, this resolution or the applicable Additional Bond resolution shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations of the District and the owners of all Bonds or Outstanding Parity Bonds shall thereafter be determined, exercised and enforced under this resolution or such Additional Bond resolution subject in all respects to such modifications and amendments.

SECTION 10.4 Amendment of Resolution in Any Respect by Approval of All Bondowners. Notwithstanding anything contained in the foregoing provisions of this Article X, the rights and obligations of the District and of the Bondowners and the terms and provisions of the Outstanding Parity Bonds and of this resolution and of any Additional Bond resolution may be amended in any respect upon the adoption of a Supplemental Resolution by the District and the consent of the owners of all of the Outstanding Parity Bonds and Bonds then outstanding, and the amendment shall be effective immediately upon such unanimous written consent of all of the Bondowners.

ARTICLE XI
DEFAULTS AND REMEDIES

SECTION 11.1 Events of Default.

The Commission of the District hereby finds and determines that the continuous operation of the Electric System and the collection, deposit and disbursement of the Revenues in the manner provided in the Outstanding Parity Bond Resolutions, this resolution and in any Supplemental Resolution are essential to the payment and security of the Bonds, and the failure or refusal of the District to perform the covenants and obligations contained in the Outstanding Parity Bond Resolutions, this resolution or any such Supplemental Resolution will endanger the necessary continuous operation of the Electric System and the application of the Revenues to the purposes set forth in the Outstanding Parity Bond Resolutions and this resolution. The Outstanding Parity Bond Resolutions, this resolution and each Supplemental Resolution adopted pursuant to Article X are hereinafter in this Article XI and in Article XII referred to collectively as "the Resolution."

The District hereby covenants and agrees with the purchasers and owners from time to time of the Bonds, in order to protect and safeguard the covenants and obligations undertaken by the District securing the Bonds, that the following shall constitute "Events of Default":

A. If the District shall default in the performance of any obligations with respect to payments into the Revenue Fund;

B. If default shall be made in the due and punctual payment of the principal of and premium, if any, on any of the Bonds when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise;

C. If default shall be made in the due and punctual payment of any installment of interest on any Bond;

D. If the District shall fail, by any Sinking Fund Requirement Date, to have purchased or redeemed Term Bonds in a cumulative principal amount at least equal to the cumulative Sinking Fund Requirements at such Sinking Fund Requirement Date;

E. If the District shall default in the observance and performance of any other of the covenants, conditions and agreements on the part of the District contained in the Resolution and such default or defaults shall have continued for a period of 90 days after the District shall have received from a Bondowners Committee or from the owners of not less than 20% in principal amount of the Bonds outstanding, a written notice specifying and demanding the cure of such default;

F. If the District shall (except as herein permitted) sell, transfer, assign or convey any properties constituting the Electric System or interests therein, or any part or parts thereof, or shall make any agreement for such sale or transfer (except as expressly authorized by Section 9.6 hereof);

G. If an order, judgment or decree shall be entered by any court of competent jurisdiction: (i) appointing a receiver, trustee or liquidator for the District or the whole or any substantial part of the Electric System; (ii) approving a petition filed against the District seeking the bankruptcy, arrangement or reorganization of the District under any applicable law of the United States or the State of Washington; or (iii) assuming custody or control of the District or of the whole or any substantial part of the Electric System under the provisions of any other law for the relief or aid of debtors and such order, judgment or decree shall not be vacated or set aside or stayed (or, in case custody or control is assumed by said order, such custody or control shall not be otherwise terminated) within 60 days from the date of the entry of such order, judgment or decree; or

H. If the District shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) file a petition in bankruptcy or seeking a composition of indebtedness under any state or federal bankruptcy or insolvency law; (iii) make an assignment for the benefit of its creditors; (iv) consent to the appointment of a receiver of the whole or any substantial part of the Electric System; or (v) consent to the assumption by any court of competent jurisdiction under the provisions of any other law for the relief or aid of debtors of custody or control of the District or of the whole or any substantial part of the Electric System.

SECTION 11.2 Waivers of Default.

No delay or omission of the Bondowners Committee or of any owner of Bonds to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or to be an acquiescence therein; and every power and remedy given by this Article to the Bondowners Committee or to the owners of Bonds may be exercised from time to time and as often as may be deemed expedient by the Bondowners Committee or by such owners.

The Bondowners Committee or the owners of not less than 50% in principal amount of the Bonds at the time outstanding, or their attorneys-in-fact duly authorized, may on behalf of the owners of all of the Bonds waive any past default under the Resolution and its consequences, except a default in the payment of the principal of, premium, if any, or interest on any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 11.3 Remedies.

A. *Bondowners' Trustee*. So long as an Event of Default shall not have been remedied, a Bondowners' Trustee may be appointed by the owners of 20% in principal amount of the Bonds then outstanding, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondowners or by their attorneys-in-fact duly authorized and delivered to such Trustee, notification thereof being given to the District. Any Bondowners' Trustee appointed under the provisions of this Section 11.3 shall be a bank or trust company organized under the laws of the State of Washington or the State of New York or a national banking association. The bank or trust company acting as Bondowners' Trustee may be removed at any time, and a successor Bondowners' Trustee may be appointed, by the owners of a majority in principal amount of the Bonds and any Additional Bonds issued pursuant to the Resolution, by an instrument or concurrent instruments in writing signed and acknowledged by such Bondowners or by their attorneys-in-fact duly authorized.

The Bondowners' Trustee appointed in the manner herein provided, and each successor thereto, is hereby declared to be a trustee for the owners of all the Bonds and is empowered to exercise all the rights and powers herein conferred on the Bondowners' Trustee.

B. *Suits at Law or in Equity*. The Bondowners' Trustee may upon the happening of an Event of Default, and during the continuance thereof, take such steps and institute such suits, actions or other proceedings in its own name, or as trustee, all as it may deem appropriate for the protection and enforcement of the rights of Bondowners to collect any amounts due and owing the District, or to obtain other appropriate relief, and may enforce the specific performance of any covenant, agreement or condition contained in the Resolution, or in any of the Bonds.

Any action, suit or other proceedings instituted by the Bondowners' Trustee hereunder shall be brought in its name as trustee for the Bondowners and all such rights of action upon or under any of the Bonds or the provisions of the Resolution may be enforced by the Bondowners' Trustee without the possession of any of said Bonds, and without the production of the same at any trial or proceedings relative thereto except where otherwise required by law, and the respective owners of said Bonds, by taking and holding the same, shall be conclusively deemed irrevocably to appoint the Bondowners' Trustee the true and lawful trustee of the respective owners of said Bonds, with authority to institute any such action, suit or proceeding; to receive as trustee and deposit in trust any sums becoming distributable on account of said Bonds; to execute any paper or documents for the receipt of such money, and to do all acts with respect thereto that the Bondowner himself might have done in person. Nothing herein contained shall be deemed to authorize or empower the Bondowners' Trustee to consent to accept or adopt, on behalf of any owner of any Bond, any plan or reorganization or adjustment affecting the said Bonds of the District or any right of any owner thereof, or to authorize or empower the Bondowners' Trustee to vote the claims of the owners thereof in any receivership, insolvency, liquidation, bankruptcy, reorganization or other proceeding to which the District shall be a party.

C. *Books of District Open to Inspection*. The District covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the District shall at all times be subject to the inspection and use of the Bondowners' Trustee.

The District covenants that if an Event of Default shall happen and shall not have been remedied, the District will continue to account, as a trustee of an express trust, for all Revenues and other money, securities and funds pledged under this resolution.

D. *Payment of Funds to Bondowners' Trustee*. The District covenants that if an Event of Default shall happen and shall not have been remedied, the District, upon demand of the Trustee, shall pay over to the Bondowners' Trustee (i) forthwith, all money, securities and funds then held by the District and pledged under this resolution, and (ii) as promptly as practicable after receipt thereof, all Revenues.

E. *Application of Funds by Bondowners' Trustee*. During the continuance of an Event of Default the Revenues received by the Bondowners' Trustee pursuant to the provisions of the preceding paragraph shall be applied by the Bondowners' Trustee, first, to the payment of the reasonable and proper charges, expenses and liabilities paid or incurred by the Trustee (including the cost of securing the services of any engineer or firm of engineers selected for the purpose of rendering advice with respect to the sufficiency of the rates and charges for power and energy sold, furnished or supplied by the Electric System), and second, in accordance with the provisions of Section 6.1 of this resolution.

If at any time the funds held by the Bondowners' Trustee and the Paying Agent for the Bonds shall be insufficient for the payment of the principal of, premium, if any, and interest then due on the Bonds, such funds (other than funds held for the payment or redemption of particular Bonds that have theretofore become due at maturity or by call for redemption) and all Revenues and other money received or collected for the benefit or for the account of owners of the Bonds by the Bondowners' Trustee shall be applied as follows:

> First, to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, earliest maturities first, and, if the amount available shall not be sufficient to pay in full any installment or installments or interest maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and
>
> Second, to the payment to the persons entitled thereto of the unpaid principal and premium, if any, of any Bonds that shall have become due, whether at maturity or by call for redemption, in the order of their due dates, earliest maturities first, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal and premium, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

F. *Relinquishment of Funds Upon Remedy of Default*. If and whenever all overdue installments of interest on all Bonds, together with the reasonable and proper charges, expenses and liabilities of the Bondowners' Trustee and the owners of Bonds, their respective agents and attorneys, and all other sums payable by the District under the Resolution, including the principal of, premium, if any, and accrued unpaid interest on all Bonds which shall then be payable (with interest upon such principal and premium, if any, and, to the extent that payment of such interest is enforceable under applicable law, on overdue installments of interest, at the same rate as the rate of interest specified in the Bonds, to the date of such payment or deposit), shall either be paid by or for the account of the District, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Resolution or the Bonds shall be made good or secured to the satisfaction of the Bondowners' Trustee or provision deemed by the Bondowners' Trustee to be adequate shall be made therefore, the Bondowners' Trustee shall pay over to the District all money, securities, funds and Revenues then remaining unexpended in the hands of the Bondowners' Trustee and thereupon all Revenues shall thereafter be applied as provided in the Resolution. No such payment over to the District by the Bondowners' Trustee or resumption of the application of Revenues as provided in the Resolution shall extend to or affect any subsequent default under the Resolution or impair any right consequent thereon.

G. *Suits by Individual Bondowners*. No owner of any one or more of the Bonds shall have any right to institute any action, suit or proceeding at law or in equity, unless an Event of Default shall have happened and be continuing, and unless no Bondowners' Trustee has been created as herein provided, but any remedy herein authorized to be exercised by the Bondowners' Trustee may be exercised individually by any Bondowner, in his own name and on his own behalf or for the benefit of all Bondowners, in the event no Bondowners' Trustee has been appointed, or with the consent of the Bondowners' Trustee if such Bondowners' Trustee has been appointed; provided, however, that nothing in the Resolution or in the Bonds shall affect or impair the obligation of the District, which is absolute and unconditional, to pay from Net Revenues the principal of and interest on the Bonds to the respective owners thereof at the respective due dates therein specified, or affect or impair the right of action, which is absolute and unconditional, of such owners to enforce such payment.

SECTION 11.4 Remedies Granted in Resolution Not Exclusive.

No remedy by the terms of the Resolution conferred upon or reserved to the Bondowners' Trustee or the owners of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or existing at law or in equity or by statute on or after the date of adoption of the Resolution.

ARTICLE XII
SALE OF 2026 BONDS; OFFICIAL STATEMENT; ONGOING DISCLOSURE

SECTION 12.1 Sale of 2026 Bonds.

The Chief Financial Officer and Director of Customer Service and Treasury Operations are each appointed as the District's Designated Representative. The Commission has determined that it is in the best interest of the District to delegate to the Designated Representative, each acting alone, the authority to approve the Final Terms of the 2026 Bonds, with such additional terms and covenants as the Designated Representative deems advisable, within the following parameters.

A. The 2026 Bonds may be issued in one or more Series, and the aggregate principal amount of the 2026 Bonds associated with the portion to finance the Projects shall not exceed $32,000,000, in addition to the principal amount associated with refunding the Refunded Bonds;

B. One or more rates of interest may be fixed for the 2026 Bonds as long as the true interest cost to the District for each Series of 2026 Bonds does not exceed 5.25%;

C. The aggregate purchase price for a Series of the 2026 Bonds shall not be less than 98% or more than 120% of the aggregate stated principal amount of such 2026 Bonds;

D. The 2026 Bonds shall mature no later than November 1, 2051;

E. The 2026 Bonds may be issued subject to optional and mandatory redemption provisions;

F. There is a minimum net present value savings as a result of the issuance of the portion of the 2026 Bonds used to refund the Refunded Bonds of 2.00% of the Refunded Bonds; and

G. The 2026 Bonds shall be dated as of the date of their delivery, which date and time for the issuance and delivery of the 2026 Bonds is not later than one year from the adoption of this resolution. If the 2026 Bonds are issued in Fiscal Year 2027, the year designation may be modified throughout this resolution to reflect the year of issuance of such 2026 Bonds.

The Designated Representative may determine whether it is in the District's best interest to provide for bond insurance or other credit enhancement, which will satisfy the requirements of Qualified Insurance; and may accept such additional terms, conditions and covenants and enter into an agreement as the Designated Representative may determine are in the best interests of the District, consistent with this resolution.

In determining the Final Terms of a Series of the 2026 Bonds, the Designated Representative, in consultation with other District officials and staff and advisors, shall take into account those factors that, in the Designated Representative's judgment, will result in the lowest true interest cost on the 2026 Bonds of that Series to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable to that Series of 2026 Bonds.

The 2026 Bonds shall be sold by negotiated sale to the Underwriter. Subject to the terms and conditions set forth in this Section 12.1, the Designated Representative is hereby authorized to execute a purchase contract to be presented by the Underwriter (the "Bond Purchase Contract") on behalf of the District upon the Designated Representative's approval of the number of Series, the tax status of each Series, the Series designation, final principal amounts, date of the 2026 Bonds, denominations, interest rates, payment dates, redemption provisions, the Refunded Bonds, the Refunding Plan and maturity dates for the 2026 Bonds.

The 2026 Bonds will be printed at District's expense and will be delivered to the Underwriter in accordance with the Bond Purchase Contract, with the approving legal opinion of Foster Garvey P.C., municipal bond counsel of Seattle, Washington, regarding the 2026 Bonds.

SECTION 12.2 Official Statement.

A. *Preliminary Official Statement Deemed Final.* The Designated Representative shall review and, if acceptable to the Designated Representative, approve the preliminary Official Statement prepared in connection with each sale of a Series of the 2026 Bonds to the public. For the sole purpose of the Underwriter's compliance with paragraph (b)(1) of Rule 15c2-12, if applicable, the Designated Representative is authorized to deem that preliminary Official Statement final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12. The District approves the distribution to potential purchasers of the 2026 Bonds of a preliminary Official Statement that has approved by a Designated Representative and been deemed final, if applicable, in accordance with this Subsection.

B. *Approval of Final Official Statement*. The District approves the preparation of a final Official Statement for each Series of the 2026 Bonds to be sold to the public in the form of the preliminary Official Statement that has been approved and deemed final in accordance with Section 12.2A, with such modifications and amendments as a Designated Representative deems necessary or desirable, and further authorizes a Designated Representative to execute and deliver such final Official Statement to the Underwriter if required under Rule 15c2-12. The District authorizes and approves the distribution by the Underwriter of the final Official Statement so executed and delivered to purchasers and potential purchasers of a Series of the 2026 Bonds.

SECTION 12.3 Undertaking to Provide Ongoing Disclosure.

To meet the requirements of paragraph (b)(5) of United States Securities and Exchange Commission ("SEC") Rule 15c2-12 ("Rule 15c2-12"), as applicable to a participating underwriter for the 2026 Bonds, the District makes the following written undertaking (the "Undertaking") for the benefit of holders of the 2026 Bonds:

A. *Undertaking to Provide Annual Financial Information and Notice of Listed Events*. The District undertakes to provide or cause to be provided, either directly or through a designated agent, to the Municipal Securities Rulemaking Board (the 'MSRB"), in an electronic format as prescribed by the MSRB, accompanied by identifying information as prescribed by the MSRB:

(i) Annual financial information and operating data of the type included in the final official statement for the 2026 Bonds and described in Section 12.3B ("annual financial information");

(ii) Timely notice (not in excess of ten business days after the occurrence of the event) of the occurrence of any of the following events with respect to the 2026 Bonds:

- principal and interest payment delinquencies;
- non-payment related defaults, if material;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notice of Proposed Issue (IRS Form 5701 – TEB) or other material notices or determinations with respect to the tax status of the 2026 Bonds;
- modifications to rights of holders of the 2026 Bonds, if material;

- 2026 Bond calls (other than scheduled mandatory redemptions of Term Bonds), if material, and tender offers;

- defeasances;

- release, substitution, or sale of property securing repayment of the 2026 Bonds, if material;

- rating changes;

- bankruptcy, insolvency, receivership or similar event of the District, as such "Bankruptcy Events" are defined in Rule 15c2-12;

- the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- appointment of a successor or additional trustee or the change of name of a trustee, if material;

- incurrence of a financial obligation of the District or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or obligated person, any of which affect security holders, if material; and

- default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the District or obligated person, any of which reflect financial difficulties.

The term "financial obligation" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

(iii) Timely notice of a failure by the District to provide required annual financial information on or before the date specified in Section 12.3B.

B. *Type of Annual Financial Information Undertaken to be Provided*. The annual financial information that the District undertakes to provide in Section 12.3A:

(i) Shall consist of (a) annual financial statements of the Electric System prepared (except as noted in the financial statements) in accordance with applicable generally accepted accounting principles applicable to Washington state governmental entities, as such principles may be changed from time to time; (b) the outstanding long-term indebtedness of the

Electric System, and any system of the District which provides power or capacity to the Electric System; (c) Electric System customers, energy sales (in dollars and MWh), peak demands and energy resources; and (d) Electric System operating results and debt service coverage on the outstanding Bonds.

(ii) Shall be provided not later than the last day of the ninth month after the end of each Fiscal Year of the District (currently, a Fiscal Year ending December 31), as such Fiscal Year may be changed as required or permitted by State law, commencing with the District's Fiscal Year ending December 31, 2026; and

(iii) May be provided in a single or multiple documents, and may be incorporated by specific reference to documents available to the public on the Internet website of the MSRB or filed with the SEC.

If not submitted as part of the annual financial information described in paragraph (b)(i) above, the District will provide or cause to be provided to the MSRB audited financial statements, when and if available.

C. *Amendment of Undertaking*. The Undertaking is subject to amendment after the primary offering of the 2026 Bonds without the consent of any holder of any 2026 Bond, or of any broker, dealer, municipal securities dealer, participating underwriter, rating agency or the MSRB, under the circumstances and in the manner permitted by Rule 15c2-12.

The District will give notice to the MSRB of the substance (or provide a copy) of any amendment to the Undertaking and a brief statement of the reasons for the amendment. If the amendment changes the type of annual financial information to be provided, the annual financial information containing the amended financial information will include a narrative explanation of the effect of that change on the type of information to be provided.

D. *Beneficiaries*. The Undertaking evidenced by this Section shall inure to the benefit of the District and any holder of 2026 Bonds, and shall not inure to the benefit of or create any rights in any other person.

E. *Termination of Undertaking*. The District's obligations under this Undertaking shall terminate upon the legal defeasance of all of the 2026 Bonds. In addition, the District's obligations under this Undertaking shall terminate if those provisions of Rule 15c2-12 which require the District to comply with this Undertaking become legally inapplicable in respect of the 2026 Bonds for any reason, as confirmed by an opinion of nationally recognized bond counsel or other counsel familiar with federal securities laws delivered to the District, and the District provides timely notice of such termination to the MSRB.

F. *Remedy for Failure to Comply with Undertaking*. As soon as practicable after the District learns of any failure to comply with the Undertaking, the District will proceed with due diligence to cause such noncompliance to be corrected. No failure by the District or other obligated person to comply with the Undertaking shall constitute a default in respect of the 2026 Bonds. The sole remedy of any holder of a 2026 Bond shall be to take such actions as that holder deems necessary, including seeking an order of specific performance from an appropriate court, to compel the District or other obligated person to comply with the Undertaking.

G. *Designation of Official Responsible to Administer Undertaking*. The Treasurer of the District (or such other officer of the District who may in the future perform the duties of that office) or the Treasurer's designee is authorized and directed in such officer's discretion to take such further actions as may be necessary, appropriate or convenient to carry out the Undertaking of the District in respect of the 2026 Bonds set forth in this Section and in accordance with Rule 15c2-12, including, without limitation, the following actions:

(i) Preparing and filing the annual financial information undertaken to be provided;

(ii) Determining whether any event specified in Section 12.3A has occurred, assessing its materiality, where necessary, with respect to the 2026 Bonds, and preparing and disseminating any required notice of its occurrence;

(iii) Determining whether any person other than the District is an "obligated person" within the meaning of Rule 15c2-12 with respect to the 2026 Bonds, and obtaining from such person an undertaking to provide any annual financial information and notice of listed events for that person in accordance with Rule 15c2-12;

(iv) Selecting, engaging and compensating designated agents and consultants, including but not limited to financial advisors and legal counsel, to assist and advise the District in carrying out the Undertaking; and

(v) Effecting any necessary amendment of the Undertaking.

ARTICLE XIII
MISCELLANEOUS, DEFEASANCE

SECTION 13.1 Resolution and Laws a Contract With Bondowners.

This resolution is adopted under the authority of and in full compliance with the Constitution and laws of the State of Washington, including Title 54 of the Revised Code of Washington, as amended and supplemented. In consideration of the purchase and acceptance of the Bonds by those who shall hold the same from time to time, the provisions of this resolution and of any Supplemental Resolution authorizing the issuance of Additional Bonds and of said laws shall constitute a contract with the owner or owners of each Bond and the obligations of the District and its Commission under said acts and under this resolution shall be enforceable by any court of competent jurisdiction; and the covenants and agreements herein set forth to be performed on behalf of the District shall be for the equal benefit, protection and security of the owners of any and all of said Bonds all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of said Bonds over any others thereof except as expressly provided herein.

SECTION 13.2 Bonds Deemed No Longer to be Outstanding Hereunder.

In the event that the District, in order to effect the payment, retirement or redemption of any Bond, sets aside in the Bond Fund or in another special account, held in trust by the District or by a qualified trustee, advance refunding bond proceeds or other money lawfully available or direct obligations of or obligations the principal of and the interest on which are unconditionally guaranteed by the United States Government ("Government Obligations"), or any combination of such proceeds, money and/or Government Obligations, in amounts which, together with known earned income from the investment thereof are sufficient to redeem, retire or pay such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such proceeds, money and/or Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Bond Fund for the payment of the principal of and interest on such Bond, and the owner of such Bond shall cease to be entitled to any lien, benefit or security of this resolution, or any other resolution of the District, except the right to receive payment of principal, premium, if any, and interest from such special account, and such Bonds shall be deemed not to be outstanding hereunder. The District shall obtain an opinion of nationally recognized bond counsel to the effect set forth in the preceding sentence and that the tax-exempt status of such Bonds is not adversely affected, and a verification from a certified public accountant that the money when due or Government Obligations so set aside will be sufficient to pay the principal, premium, if any, and interest on the Bonds to be refunded.

SECTION 13.3 Benefits of Resolution Limited to District, Bondowners, Bondowner Trustee, Fiscal Agent and Paying Agent.

Nothing in this resolution, expressed or implied, is intended or shall be construed to confer upon or give to any person or corporation other than the District, the Paying Agent, Fiscal Agent, Bondowner Trustee, and the owners from time to time of the Bonds any rights, remedies or claims under or by reason of this resolution or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this resolution contained by or on behalf of the District shall be for the sole and exclusive benefit of the District, the Paying Agent and the owners from time to time of the Bonds.

SECTION 13.4 Term "District" Includes Successors.

Whenever in this resolution the District is named or referred to, it shall be deemed to include its successors and assigns, including any successor by merger or consolidation, and all the covenants and agreements in this resolution contained by or on behalf of the District shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

SECTION 13.5 Severability.

If any one or more of the covenants or agreements provided in this resolution on the part of the District to be performed shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this resolution or of the Bonds issued hereunder.

SECTION 13.6 General Authorization.

The General Manager, Designated Representative, Auditor, Treasurer and the President and Secretary of the Commission and each of the other appropriate officers of the District are each hereby authorized and directed to take such steps, to do such other acts and things, and to execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this resolution.

SECTION 13.7 Prior Acts.

All acts taken pursuant to the authority of this resolution but prior to its effective date are hereby ratified and confirmed.

SECTION 13.8 Effective Date of Resolution.

This resolution shall be in effect from and after its adoption in accordance with law.

SECTION 13.9 Repealer.

All resolutions and parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

ADOPTED by the Commission of Public Utility District No. 1 of Benton County, Washington, at a meeting thereof this 8th day of September, 2026.

____
President

____
Vice President

____
Secretary

CERTIFICATE

I, the undersigned, Secretary of the Commission of Public Utility District No. 1 of Benton County, Washington, and keeper of the records of said Commission (the "Commission"), DO HEREBY CERTIFY:

1. That the attached is a true and correct copy of Resolution No. 2735 (the "Resolution") of the Commission, duly passed at a regular meeting thereof held on the 8th day of September, 2026.

2. That said meeting was duly convened, held and included an opportunity for public comment, in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting in person or through telephonic, electronic, internet or other means of remote access, and a legally sufficient number of members of the Commission voted in the proper manner for the passage of said Resolution; that all other requirements and proceedings incident to the proper passage of said Resolution have been fully fulfilled, carried out and otherwise observed; and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 8th day of September, 2026.

____
Secretary of the Commission

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON CO., WA.

TREASURER'S REPORT TO COMMISSION FOR AUGUST 2026

Sep 1, 2026

Final

REVENUE FUND:		RECEIPTS	DISBURSEMENTS	BALANCE
08/01/26	Cash Balance			$ 1,286,606.56
	Collections	$ 17,247,440.06		
	Bank Interest Earned	5,378.09		
	Investments Matured	5,508,285.77		
	Miscellaneous - BAB's Subsidy	-		
	Transfer from Debt Service Fund	-		
	EFT Taxes		$ 1,038,507.88	
	Checks Paid		323,275.19	
	Debt Service to Unrestricted		-	
	Debt Service to Restricted		508,285.77	
	Investments Purchased		4,108,657.06	
	Deferred Compensation		196,237.36	
	Department of Retirement Systems		172,702.31	
	Special Fund-Construction Funds		-	
	Purchased Power		10,628,558.46	
	Direct Deposit - Payroll & AP		3,319,247.43	
	Credit Card Fees		36,771.50	
	Miscellaneous		-	
	Sub-total	$ 22,761,103.92	$ 20,332,242.96	
08/31/26	**Cash Balance**			**$ 3,715,467.52**

	Balance 08/01/26	Purchased	Matured	LGIP Interest	Balance 08/31/26
Investment Activity	**$45,951,920.73**	4,508,285.77	5,508,285.77	$108,657.06	**$45,060,577.79**

	Balance 08/01/26	Issued	Redeemed	Cancelled*	Balance 08/31/26
Check Activity	**$337,335.91**	$267,695.50	$323,275.19	$248.58	**$281,507.64**

Unrestricted Reserves:	**08/01/26**	**08/31/26**	**Change**
Minimum Operating Reserves (90 DCOH) Incl. RSA(1)	$ 33,509,520.00	$ 33,509,520.00	$ -
Designated Reserves (Customer Deposits Account)	1,900,000.00	1,900,000.00	-
Designated Reserves (Power Market Volatility Account)	5,000,000.00	5,000,000.00	-
Designated Reserves (Special Capital Account)	4,986,027.87	4,986,027.87	-
Undesignated Reserves (Climate Commitment Act)	2,516,558.84	2,516,558.84	-
Undesignated Reserves (DCOH -7 days) (2)	(3,663,436.73)	(2,634,204.48)	1,029,232.25
Unrestricted Reserves Total	**$ 44,248,669.98**	**$ 45,277,902.23**	**$ 1,029,232.25**
DCOH - Beginning and Ending of Month	119	122	
DCOH - Year-end Projection (Unrestricted $58.8M)	148	161	
DCOH - Year-end Projection (Construction $10.0M)	27	27	
Restricted Reserves:			
Bond Redemption Accounts	2,989,857.32	3,498,143.09	508,285.77
Construction Account	0.00	0.00	-
Restricted Reserves Total	**2,989,857.32**	**3,498,143.09**	**508,285.77**
TOTAL RESERVES	**$ 47,238,527.30**	**$ 48,776,045.32**	**$ 1,537,518.02**

(1) RSA (Rate Stabilization Account): $7,500,000.00

(2) Undesignated Reserves are periodically reviewed to reallocate to the Designated Reserve accounts

Prepared by: Keith Mercer
Keith Mercer, Treasurer

Certified by: Jon Meyer
Jon Meyer, Auditor

CASH & INVESTMENTS SUMMARY

as of August 31, 2026

Average Days to Maturity	**104**	Investments see below*	12,918,597
		LGIP**	32,141,982
Average Weighted Yield	**3.757%**	**TOTAL INVESTMENTS**	45,060,578
		CASH	3,715,468
		TOTAL CASH & INVESTMENTS	**$ 48,776,046**

** Held in custody at Principal Financial Group*

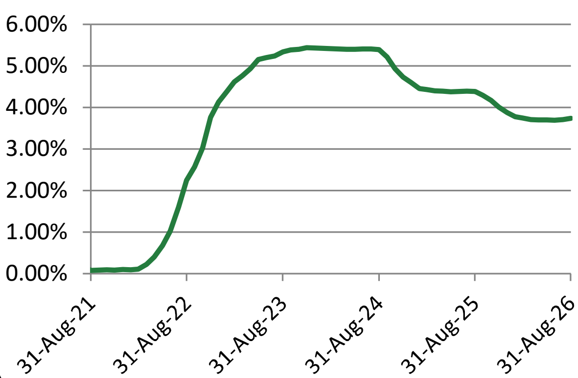
*** Local Government Investment Pool*

Investments by Type and Maturity

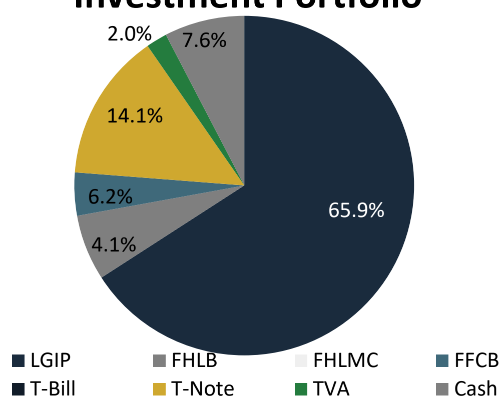
Amount	Type	
944,590	-T-Note	4.28%
949,500	-T-Note	4.24%
1,009,810	-FHLB	3.95%
982,270	-TVA	3.96%
986,040	-T-Note	3.56%
1,013,660	-T-Note	3.55%
1,002,750	-FFCB	3.43%
1,057,177	-FHLB	3.40%
979,460	-FHLB	3.77%
1,002,500	-FFCB	3.74%
1,000,260	-T-Note	3.74%
997,520	-T-Note	3.88%
993,060	-T-Note	4.05%

*Callable

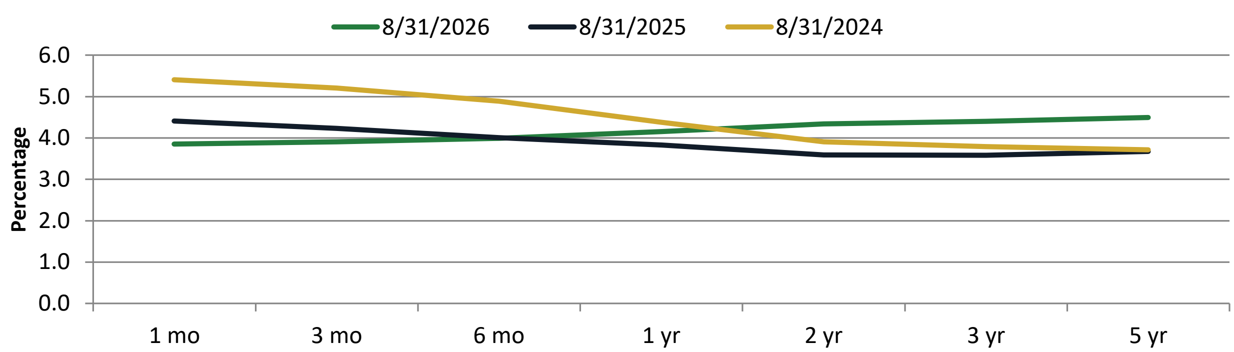
Historical LGIP Rate



Investment Portfolio



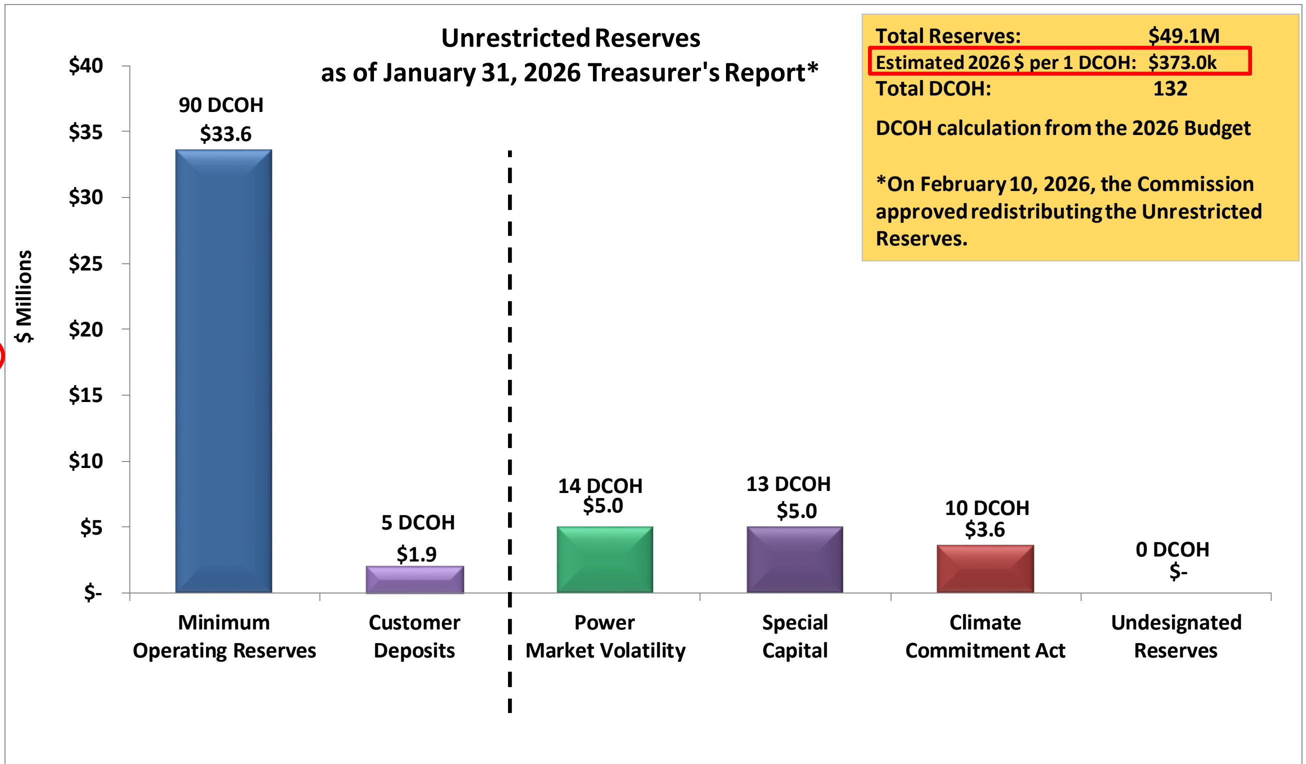
Daily Treasury Yield Curve



Source: http://www.ustreas.gov/offices/domestic-finance/debt-management/interest-rate/yield.shtml

Unrestricted Reserves and Days Cash on Hand (DCOH)

#1



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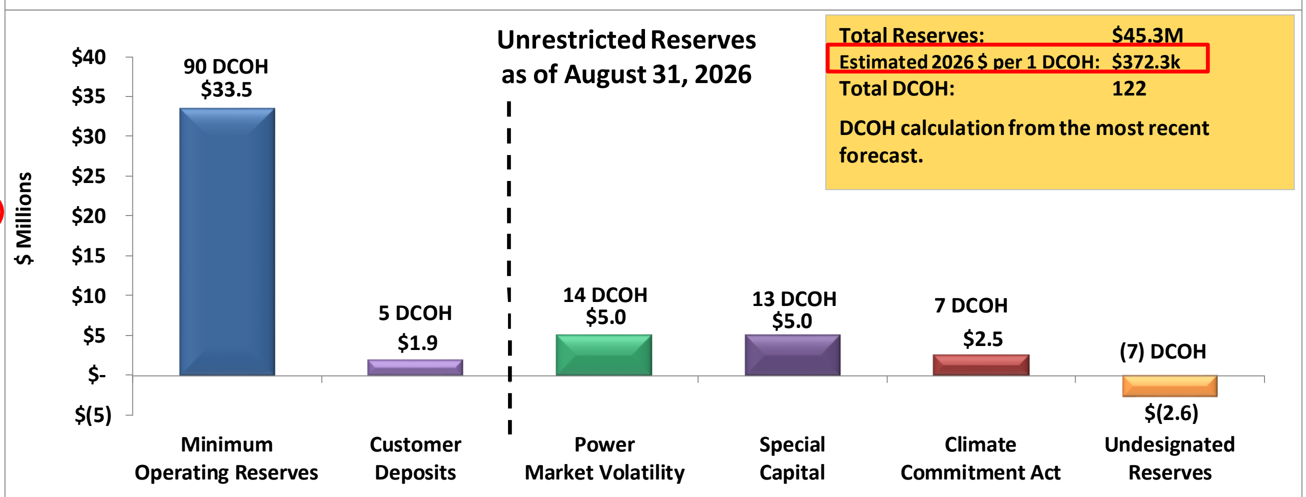

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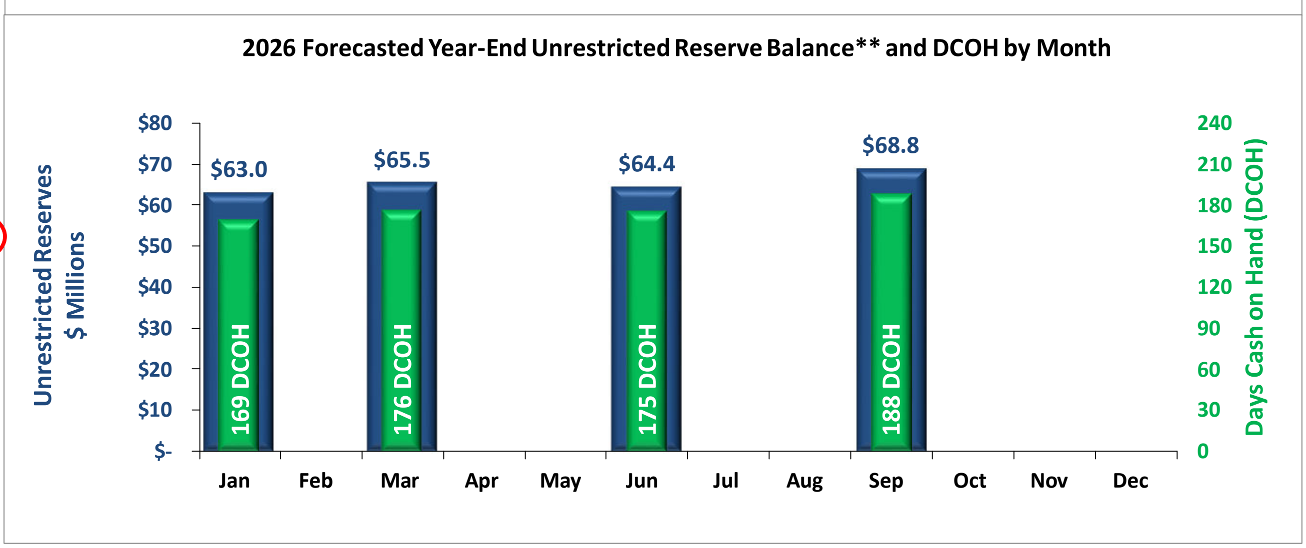
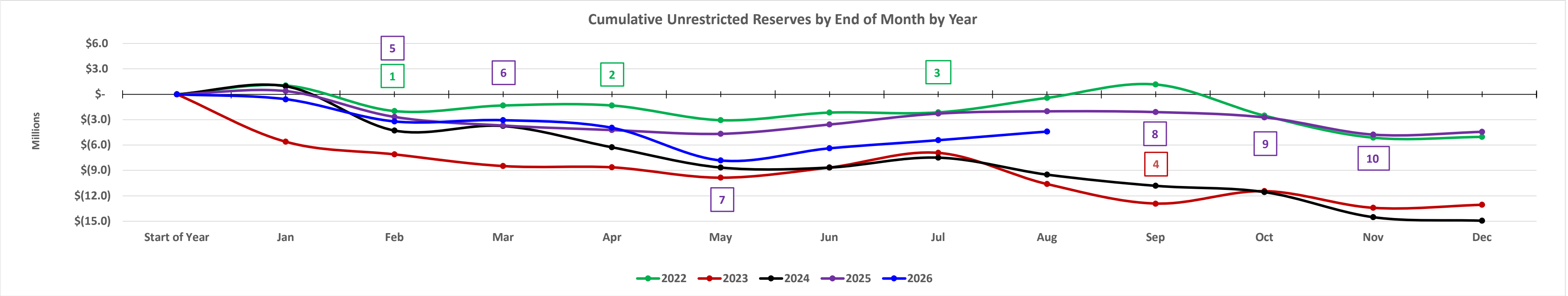


**Includes proceeds from the planned 2026 bond issuance, including amounts allocated to the Construction Account.



Note: Any money disbursed for a bid guarantee, received from the Climate Commitment Act auction proceeds, or received from issuing bonds was removed for comparison purposes (i.e. 2023 bond issue).

Other Notable Information:
Weather can play a major factor with customer loads (retail revenue) that can ultimately increase or decrease the District's Unrestricted Reserves.

1. (2022 - February) Adjusted balance down ~$6.3 million for January BPA invoices that were paid in March due to timing of when the invoices were issued. These invoices are typically paid in February.
2. (2022 - April) Adjusted balance down ~$5.7 million for March BPA invoices that were paid in May due to timing of when the invoices were issued. These invoices are typically paid in April.
3. (2022 - July) Adjusted balance down ~$4.3 million for June BPA Power invoice that was paid in August due to timing of when the invoice was issued. This invoice is typically paid in July.
4. (2023 - September) Adjusted balance down ~$5.3 million for August BPA power and transmission invoices that were paid in October due to timing of when the invoice was issued. These invoice would typically pay in September.
5. (2025 - February) Adjusted balance down ~$5.3 million for January BPA Invoices that were paid in March due to timing of when the invoices were issued. These invoices are typically paid in February.
6. (2025 - March) Adjusted balance down ~$6.5 million for February BPA Invoices that were paid in April due to timing of when the invoices were issued. These invoices are typically paid in March.
7. (2025 - May) Adjusted balance down ~5.4 million for April BPA Invoices that were paid in June due to timing of when the invoices were issued. These invoices are typically paid in May.
8. (2025 - September) Adjusted balance down ~$10.0 million for August BPA invoices that were paid in October due to timing of when the invoice was issued. These invoices are typically paid in September.
9. (2025 - October) Adjusted balance down ~7.2 million for September BPA invoices that were paid in November due to timing of when the invoice was issued. These invoices are typically paid in October.
10. (2025 - November) Adjusted balance down ~$5.5 million for October BPA invoices that were paid in December due to timing of when the invoice was issued. These invoices are typically paid in November.

MINUTES

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY
REGULAR COMMISSION MEETING

Date: August 25, 2026
Time: 9:00 a.m.
Place: 2721 West 10th Avenue, Kennewick, Washington

Present: Commissioner Jeff Hall, President
Commissioner Lori Kays-Sanders, Vice-President
Commissioner Mike Massey, Secretary
General Manager Rick Dunn
Chief Financial Officer Jon Meyer
Chief Operating Officer Chris Folta
Director of IT & Broadband Services Jennifer Holbrook
Director of Human Resources & Communications Karen Dunlap
Director of Conservation & Distributed Energy Resources Chris Johnson
Director of Customer Service and Treasury Keith Mercer
Director of Engineering Evan Edwards
Records Program Administrator II Nykki Drake
General Counsel Allyson Dahlhauser

Benton PUD employees present during all or a portion of the meeting, either in person or virtually: Annette Cobb, Manager of Customer Service; Dax Berven, Senior Engineer; Duane Crum, Manager of IT Infrastructure; Duane Szendre, Superintendent of Operations; Eric Dahl, Communications Specialist II; Jenny Sparks, Manager of Communications & Customer Engagement; Jodi Henderson, Manager of Government & Community Relations; Katie Grandgeorge, Financial Analyst III; Kent Zirker, Manager of Accounting; Michelle Ness, Supervisor of Distribution Design; Jessie Grad, Superintendent of Transmission & Distribution; Robert Frost, Supervisor of Energy Programs; Shannon Sensibaugh, Administrative Assistant, II; Tyson Brown, Procurement Specialist II; Shawn Harper, Superintendent of Support Services; Anthony Johnson , IT Security Engineer II.

Call to Order & Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

Approved as presented.

Public Comment

None.

Consent Agenda

MOTION: Commissioner Sanders moved to approve the Consent Agenda items “a” through “e”. Commissioner Massey seconded and upon vote, the Commission unanimously approved the following:

a. Regular Commission Meeting Minutes of August 11, 2026
b. Travel Report dated August 25, 2026
c. Resolution No. 2734 – Whistleblower Policy
d. Vouchers (report dated August 25, 2026) audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing made available to the Commission and approved as follows for payment:
   Accounts Payable: Automated Clearing House (DD) Payments: 116340-116363 and 116521-116561 in the amount of $1,683,232.52
   Checks & Customer Refund Payments (CHK): 92626-92700 in the amount of $102,722.91;
   Electronic Fund Transfer (WIRE) Payments: 7670-7679 in the amount of $530,668.30;
   Residential Conservation Rebates: Credits on Customer Accounts in the amount $80.00;
   Payroll: Direct Deposit – 08/13/2026: 116364-116520 in the amount $486,683.15;
   Grand total - $2,803,386.88
e. Award Contract #26-21-15 – Padmount Switchgear – PME 11 & PME 12 – Anixter Inc. (S&C)

Management Report

Chief Operating Officer - Chris Folta

1. **Grandview-Red Mountain 115-kV Transmission Line Update**
   Chief Operating Officer Chris Folta provided the Commission with an update on the BPA Grandview–Red Mountain 115 kV transmission line. The COO reviewed the transmission line route and discussed key facilities along the system, including the BPA Grandview Substation, BPA Red Mountain Switchyard, BREA Snipes and Acord substations, and the USBR Chandler Pump Station. The COO also provided an update on a meeting held with BPA staff on the frequency of momentary interruptions experienced for District customers served from this transmission line as well as several action items being taken to address the overall performance.

Chief Financial Officer - Jon Meyer

1. **Bonneville Power Administration (BPA) Quarter Business Review**
   Chief Financial Officer Jon Meyer provided the Commission with an update on BPA’s 3rd Quarter Business Review (QBR), highlighting BPA’s forecast on reserves for risk for the power business unit. The forecast is showing a possibility that a Financial Reserve Policy

surcharge could be triggered in November. If triggered the maximum surcharge to the District would be about $1.5 million and would be collected over the December 2026 to September 2027 billing periods.

2. **BPA Financial Policy Refresh**
   Chief Financial Officer Jon Meyer provided the Commission with an update on BPA's Financial Policy Refresh. The CFO reviewed the timeline for upcoming workshops, development of the draft policy, and the financial plan update. The first financial policy workshop was held last week and was focused on providing background and context for the existing policy. During the workshop, BPA staff did mention some general concepts around reducing BPA's leverage, which would have upward pressure on rates. BPA staff also mentioned the current caps on the Financial Reserve Policy surcharge ($40 million) and the Cost Recovery Adjustment Clause surcharge ($300 million) may not be sufficient.
3. **Bond Resolution**
   Chief Financial Officer Jon Meyer provided the Commission with an update on the District's 2026 bond issuance process and proposed bond resolution authorities. A bond resolution will be presented at the next Commission meeting. Rating agency meetings are scheduled for August 25 and 26, 2026.
4. **Financial Report**
   Chief Financial Officer Jon Meyer provided the Commission with a financial report for July, 2026.

General Manager – Rick Dunn

1. **NWPCC 9th Plan**
   General Manager Rick Dunn provided the Commission with an update on the Northwest Power and Conservation Council's 9th Power Plan. Dunn reviewed projected resource needs for 2032, pointing out the Council analyzed thirteen sensitivities. Dunn also highlighted the projected need for new natural gas power plants across all sensitivities, noting that the Council limited natural gas plants to no more than 3,000 megawatts due to pipeline constraints. Dunn said he is impressed with the thoroughness of the Council's Power Plan and that legislators tend to believe what it says. So, it is good news to see development of new natural gas plants being proposed by the Council which is exactly what the Bonneville Power Administration's highly variable federal hydro needs for hedging physical and financial risks going forward.
2. **Letter to Governor Kotek**
   General Manager Rick Dunn reviewed a letter sent to Oregon Governor Tina Kotek from a coalition of trade associations and Oregon consumer-owned utilities regarding her Oregon Hydropower Day declaration on August 24th and how her administration's actions to undermine the value of the Federal Columbia River Power System are in stark contrast to publicly declaring support for hydropower. The coalition requested that Oregon withdraw from federal litigation affecting the hydropower system and instead pursue a collaborative, non-litigation-based approach to address regional energy and fish issues. The letter also highlighted concerns regarding the potential impacts of reduced hydropower generation on electric rates, carbon emissions, and system reliability.

3. **Columbia River Treaty Update**
   Manager of Government & Community Relations Jodi Henderson provided the Commission with an update on a recent in-person meeting of the Columbia River Treaty Power Group where they discussed the Agreement in Principle (AIP) which was negotiated in 2024 but has yet to be finalized. The big hangup at this point is the ecosystem provision included in the AIP and the role of the Joint Ecological Board (JEB) which would be comprised solely of Canadian and American tribal representatives. Power Group members were asked to provide clarity as to what they would like to see in a final proposal when it comes to the JEB and then another meeting will be held to see if consensus can be reached.

4. **Cascade Advanced Energy Facility Update**
   GM Rick Dunn provided the Commission with an update on the Cascade Advanced Energy Facility. Energy Northwest's Executive Board is evaluating multiple ownership models, including those where Energy Northwest would not be the owner. GM Dunn shared that Energy Northwest is starting a new engagement effort with the General Managers of member utilities so they are better informed regarding significant projects, strategic issues and topics coming before the Energy Northwest Boards.

Business Agenda

Award Contract #26-18-06 – Absco Solutions – Access Control Expansion – Auto Shop, Meter Shop and Operations

Manager of IT Infrastructure Duane Crum presented a contract recommendation for the expansion of the District's access control system at the Auto Shop, Meter Shop, and Operations facilities.

Manager of IT Infrastructure Duane Crum reviewed the District's previous physical security assessment and implementation of its enterprise access control platform. The proposed project will expand the existing system to additional doors and facilities, improving physical security, access control, and system visibility while utilizing the District's existing platform.

The contract amount of $161,495.77, plus applicable Washington State sales tax, is included within the District's 2026 capital budget.

MOTION: Commissioner Sanders moved to authorize the General Manager, on behalf of the District, to sign and award Contract #26-18-06 to Absco Solutions to expand access control into the Auto Shop, Meter Shop, and Operations facilities in the amount of $161,495.77, plus applicable Washington State sales tax, as presented. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

The Commission briefly recessed, reconvening at 10:20 a.m.

Future Planning

Commissioner Hall and Commission Massey will be attending the WPUDA meeting in September.

Executive Session - Review Performance of Public Employee

The Commission went into executive session at 10:22 a.m. for 30 minutes with GM Rick Dunn and Director of Human Resources & Communications Karen Dunlap to discuss the performance of a public employee. The Commission came out of executive session at 10:52 a.m.

Adjournment

Hearing no objection, President Hall adjourned the meeting at 10:52 a.m.

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Jeff Hall, President

ATTEST:

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Mike Massey, Secretary

Periodic Travel Report - September 8, 2026

Date Start	Business Days	Name	City	Purpose
9/14/2026	4	Shawn Harper	Missoula, MT	2026 ENVIRONMENTAL TASK FORCE MEETING & HAZWOPER TRAINING
9/20/2026	6	Nicholas Hardenbrook	Nashville, TN	2026 UC SURVALENT GLOBAL USER CONFERENCE
9/24/2026	1	Jason Nielsen	Spokane, WA	INLAND POWER & LIGHT SITE VISIT - MOBILE WORK PROCESSES
9/29/2026	3	Grayson Sawyer	Tacoma, WA	2026 GOVERNOR'S INDUSTRIAL SAFETY & HEALTH CONFERENCE
9/29/2026	3	Jim Tietsort	Tacoma, WA	2026 GOVERNOR'S INDUSTRIAL SAFETY & HEALTH CONFERENCE
9/29/2026	3	Nicholas Hardenbrook	Tacoma, WA	2026 GOVERNOR'S INDUSTRIAL SAFETY & HEALTH CONFERENCE
9/29/2026	3	Shawn Hiebert	Tacoma, WA	2026 GOVERNOR'S INDUSTRIAL SAFETY & HEALTH CONFERENCE
9/29/2026	2	Terry Mapes	Rathdrum, ID	BPA ROUND TABLE
9/29/2026	2	Robert Frost	Rathdrum, ID	BPA ROUND TABLE
10/12/2026	4	Evan Edwards	Fort Worth, TX	UTILITY BROADBAND ALLIANCE (UBBA) SUMMIT
10/14/2026	2	Jessie Grad	Battle Ground, WA	OCTOBER 2026 EAST/WEST SUPERINTENDENTS MEETING
10/14/2026	2	Jesus Diaz	Battle Ground, WA	OCTOBER 2026 EAST/WEST SUPERINTENDENTS MEETING
10/17/2026	7	Amber Melling	Orlando, FL	IGNITE 2026 NEOGOV CONFERENCE
10/19/2026	4	Jesus Diaz	Rathrum, ID	2026 NWPPA LEADING IN OPERATIONS: FROM CREW LEADER TO MANAGEMENT
11/5/2026	1	Shawn Harper	Wenatchee, WA	PROCUREMENT FUNDAMENTALS 2026: WENATCHEE

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PAYMENT APPROVAL
September 8, 2026

The vouchers presented on this Payment Approval Report for approval by the Board of Commissioners have been audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims by officers and employees have been certified as required by RCW 42.24.090.

Type of Payment	Starting #		Ending #	Page #	Amount
Accounts Payable:					
Automated Clearing House (DD) Payments	116562 116764	- - -	116602 116799	1 - 4 4 - 8	$ 620,557.62
Checks & Customer Refund Payments (CHK)	92701	- -	92768	9 - 14	$ 164,972.59
Electronic Fund Transfer (WIRE) Payments	7680	-	7695	15 - 16	$ 11,597,095.81
Residential Conservation Rebates:					
Credits on Customer Accounts				17	$ 1,010.00
Purchase Card Detail:					
Payroll:					
Direct Deposit - 08/27/2026	116603	-	116763		$ 523,712.37
TOTAL					**$ 12,907,348.39**
Void DD					$ -
Void Checks					$ -
Void Wires					$ -

I, the undersigned Auditor of Public Utility District No. 1 of Benton County, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered, or the labor performed as described, or that any advance payment is due and payable pursuant to a contract or is available as an option for full or partial fulfillment of a contractual obligation, and that the claims identified in this report are just, due and unpaid obligations against the District and that I am authorized to authenticate and certify to said claims.

Jon Meyer 8/31/2026

Jon L. Meyer, Auditor *Date*

Reviewed by:

Rick Dunn, General Manager

Approved by:

Jeffrey D. Hall, President

Lori Kays-Sanders, Vice-President

Michael D. Massey, Secretary

Accounts Payable
Check Register

08/17/2026 To 08/28/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
116562	8/19/26	DD	2872	A W REHN & ASSOC	COBRA Sepcific Rights Letter	25.00
116563	8/19/26	DD	10929	ABSCO SOLUTIONS	Software Maintenance/programming	3,808.00
116564	8/19/26	DD	11230	ALLIANCE 2020 INC	Employment Background Screening	703.94
116565	8/19/26	DD	963	ANIXTER INC.	CONNECTOR, XFR, LV SECONDARY /	6,000.05
					15A CC Fuses	147.40
					3A CC Fuses	833.09
					6A CC Fuses	44.94
					Total for Check/Tran - 116565:	7,025.48
116566	8/19/26	DD	3344	BOYD'S TREE SERVICE, LLC	Tree Trimming Svc	9,216.23
116567	8/19/26	DD	10837	CAMPBELL & COMPANY SERVICE COR	REEP	400.00
					REEP	1,200.00
					Total for Check/Tran - 116567:	1,600.00
116568	8/19/26	DD	11227	CAMTEK, INC	Security Svc	359.04
					Security Svc	359.04
					Security Svc	358.71
					Security Svc	145.94
					Security Svc	135.00
					Security Svc	145.94
					Total for Check/Tran - 116568:	1,503.67
116569	8/19/26	DD	3520	CI INFORMATION MANAGEMENT	Onsite Destruction	204.05
116570	8/19/26	DD	2972	COMPUNET, INC.	Software Subscription	7,050.24
116571	8/19/26	DD	57	CONSOLIDATED ELECTRICAL DISTRIB	Plug, PVC 3" Carlon #P258LT, K	17.41
116572	8/19/26	DD	3167	COOPERATIVE RESPONSE CENTER, IN	CRCLink User Lic/Multispeak OMS	13,398.21
116573	8/19/26	DD	3029	DELTA HEATING & COOLING, INC.	REEP	9,000.00
					REEP	400.00
					REEP	9,000.00

Accounts Payable
Check Register

08/17/2026 To 08/28/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					REEP	400.00
					REEP	400.00
					REEP	400.00
					REEP	1,200.00
					Total for Check/Tran - 116573:	20,800.00
116574	8/19/26	DD	11023	ELLERD, HULTGRENN & DAHLHAUSE	Professional Svc	3,875.00
116575	8/19/26	DD	10409	FOXIT SOFTWARE, INC.	Foxit Subscription	5,250.96
116576	8/19/26	DD	75	FRANKLIN PUD	Fiber Lease	1,404.81
					Fiber Lease	1,197.90
					Fiber Lease	150.00
					Total for Check/Tran - 116576:	2,752.71
116577	8/19/26	DD	3969	GPS INSIGHT, LLC	Device Monitoring	2,370.53
116578	8/19/26	DD	2087	H2 PRECAST, INC.	Vault Base/Lid	18,496.00
116579	8/19/26	DD	214	JACOBS & RHODES	REEP	1,000.00
					REEP	400.00
					REEP	400.00
					REEP	400.00
					Total for Check/Tran - 116579:	2,200.00
116580	8/19/26	DD	103	KENNEWICK, CITY OF	Monthly Billing	309.40
116581	8/19/26	DD	3644	LOOMIS	Safepoint Svc	1,599.93
					Drop Box/Kiosks	2,327.85
					Total for Check/Tran - 116581:	3,927.78
116582	8/19/26	DD	3821	NISC	Software Lic/Maintenance	9,097.58
					Software Lic/Maintenance	2,695.59
					Software Lic/Maintenance	4,043.38
					Software Lic/Maintenance	17,858.24
					Postage/Online Svc/ACH	1,058.22

08/17/2026 To 08/28/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					Postage/Online Svc/ACH		675.71
					Mail Svc/Envelopes/Postage/Print Svc		43,558.37
						Total for Check/Tran - 116582:	78,987.09
116583	8/19/26	DD	919	NOANET	Co-Location Kennewick Verizon		1,460.00
					Broadband Billing		15,860.57
					Broadband Billing		63,442.26
						Total for Check/Tran - 116583:	80,762.83
116584	8/19/26	DD	2671	JAMIE-MARIE K OCAMPO-GUEL	Work in Prosser		44.95
116585	8/19/26	DD	3162	ONLINE INFORMATION SERVICES, INC.	Online Utility Exchange		1,254.86
116586	8/19/26	DD	2176	PACIFIC OFFICE AUTOMATION, INC.	Monthly Billing		265.42
					Monthly Billing		23.55
					Copier/License		17,026.98
						Total for Check/Tran - 116586:	17,315.95
116587	8/19/26	DD	585	PARADISE BOTTLED WATER CO.	Monthly Billing		92.39
					Monthly Billing		397.12
						Total for Check/Tran - 116587:	489.51
116588	8/19/26	DD	1161	PRINT PLUS	80 Years Safety Cards		92.48
116589	8/19/26	DD	396	SD MYERS, LLC	Gas/Oil Testing		144.00
					Gas/Oil Testing		270.00
						Total for Check/Tran - 116589:	414.00
116590	8/19/26	DD	10943	SEALX, LLC	Janitorial Monthly Svc		4,831.29
					Janitorial Monthly Svc		2,728.85
					Janitorial Monthly Svc		1,722.86
						Total for Check/Tran - 116590:	9,283.00
116591	8/19/26	DD	2154	SENSUS USA, INC.	Flxnt Monitoring/SAAS/AEM/Alert Mgr		6,129.18
					Flxnt Monitoring/SAAS/AEM/Alert Mgr		9,905.47
					Flxnt Monitoring/SAAS/AEM/Alert Mgr		4,535.07

Accounts Payable
Check Register

08/17/2026 To 08/28/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					Total for Check/Tran - 116591:	20,569.72
116592	8/19/26	DD	10230	SMG-TRI CITIES, LLC	Advertising	2,520.00
116593	8/19/26	DD	3502	SYLVAN LEARNING CENTER	Employee/Candidate Testing	50.00
116594	8/19/26	DD	1124	THE PAPE GROUP, INC.	Dock Door Maintenance	5,145.74
116595	8/19/26	DD	139	TOWNSQUARE MEDIA TRI CITIES	Advertising	3,144.00
116596	8/19/26	DD	3006	TRI-CITY GLASS, INC.	REEP	786.00
116597	8/19/26	DD	11207	TRINITEL, LLC	Heater	385.15
116598	8/19/26	DD	10154	US PAYMENTS, LLC	Paysite/Card Processing/Kiosk Fees	211.87
					Paysite/Card Processing/Kiosk Fees	1,440.00
					Total for Check/Tran - 116598:	1,651.87
116599	8/19/26	DD	272	UTILITIES UNDERGROUND LOCATION	Underground Locate	699.66
116600	8/19/26	DD	11062	VESTIS SERVICES, LLC	Weekly Svc	19.58
					Weekly Svc	45.03
					Weekly Svc	27.73
					Weekly Svc	38.19
					Weekly Svc	35.80
					Total for Check/Tran - 116600:	166.33
116601	8/19/26	DD	4235	WATER STREET PUBLIC AFFAIRS, LLC	Lobbying Svc	6,500.00
116602	8/19/26	DD	11134	WELLABLE LLC	Pro Wellness Plan	350.00
116764	8/26/26	DD	963	ANIXTER INC.	ANDERSON VACL 750-12	6,956.24
					TERM END VACL 350 12 BN	613.63
					Conn,LV,RLS500-6SLIU 1" W/cover(100kVA)	664.22
					Switch	27,983.47
					Conn,LV,RLS500-6SLIU 1" W/cover(100kVA)	3,055.43
					Cable Racking	11,783.04

08/17/2026 To 08/28/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					Link ,Y-Clevis Eye, 40,000 LB	293.76
					WASHER, ROUND GALV 7/8 IN BOLT	964.06
					BOLTS MACH 5/8 X 14	734.40
					Total for Check/Tran - 116764:	53,048.25
116765	8/26/26	DD	10496	ARNETT INDUSTRIES, LLC	Gloves	239.05
116766	8/26/26	DD	34	BENTON PUD-ADVANCE TRAVEL	NWPPA Utility Warehousing	117.30
116767	8/26/26	DD	3828	BORDER STATES INDUSTRIES, INC.	Dillon Dynamometers (Mechanical)	5,457.42
					Material	1,570.89
					24V Power Supply and Battery Backup	1,034.82
					JUMP TERM 15DEG AL 4/0	2,720.54
					DE AUTO 2/0 SOL 1/0 STR C	696.86
					Material	2,022.59
					Total for Check/Tran - 116767:	13,503.12
116768	8/26/26	DD	3344	BOYD'S TREE SERVICE, LLC	Tree Trimming Svc	7,521.34
116769	8/26/26	DD	10837	CAMPBELL & COMPANY SERVICE COR	REEP	400.00
					REEP	800.00
					REEP	1,000.00
					REEP	400.00
					REEP	400.00
					REEP	400.00
					Total for Check/Tran - 116769:	3,400.00
116770	8/26/26	DD	10534	COAST ALUMINUM INC.	BUS AL IPS TUBE 1 IN	1,739.71
116771	8/26/26	DD	2972	COMPUNET, INC.	Azure Monthly Billing	250.24
					Software License	9,552.47
					Total for Check/Tran - 116771:	9,802.71
116772	8/26/26	DD	3029	DELTA HEATING & COOLING, INC.	REEP	400.00
116773	8/26/26	DD	2898	ELECTRICAL CONSULTANTS, INC.	Professional Svc	578.00

Accounts Payable
Check Register

08/17/2026 To 08/28/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
116774	8/26/26	DD	10982	FEDERAL ENGINEERING, INC.	Professional Svc		17,875.00
116775	8/26/26	DD	10409	FOXIT SOFTWARE, INC.	Foxit Maintenance		1,650.06
116776	8/26/26	DD	79	GENERAL PACIFIC, INC.	Crossarms		5,030.37
					Connector Stem		713.90
					Crossarm, Fiberglass Dead. 8'		27,232.64
						Total for Check/Tran - 116776:	32,976.91
116777	8/26/26	DD	11206	SHAWN T HARPER	NWPPA Utility Warehousing		93.37
116778	8/26/26	DD	10420	HEALTH INVEST HRA TRUST	Monthly fees		132.06
116779	8/26/26	DD	3171	JODI A HENDERSON	Fair/Rodeo Parade Snacks		31.95
					CRTPG		106.00
						Total for Check/Tran - 116779:	137.95
116780	8/26/26	DD	3018	HRA VEBA TRUST	ER VEBA		250.00
					ER VEBA Wellness		450.00
						Total for Check/Tran - 116780:	700.00
116781	8/26/26	DD	4207	INFORMATION FIRST, INC.	Content Mgr Monthly Billing		2,176.00
116782	8/26/26	DD	214	JACOBS & RHODES	REEP		1,200.00
116783	8/26/26	DD	103	KENNEWICK, CITY OF	Monthly Billing		640.39
					Monthly Billing		536.26
					Monthly Billing		1,114.78
					Monthly Billing		296.86
					Monthly Billing		791.62
						Total for Check/Tran - 116783:	3,379.91
116784	8/26/26	DD	10162	LINGUISTICA INTERNATIONAL, INC.	Interpreting Svc		16.89
116785	8/26/26	DD	1098	MARSH USA INC.	Fiduciary Liability Policy		14,100.00
					Fiduciary Liability Policy		175.00
						Total for Check/Tran - 116785:	14,275.00

08/17/2026 To 08/28/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
116786	8/26/26	DD	10563	MESSAGE TECHNOLOGIES, INC.	IVR/SMS Service Fees	-92.84
					IVR/SMS Service Fees	1,147.84
					Total for Check/Tran - 116786:	1,055.00
116787	8/26/26	DD	10769	ONEBRIDGE BENEFITS INC.	Flex Spending Health Care	115.39
					Flex Spending Dependent Care	288.47
					Flex Spending Health Care	2,831.89
					Total for Check/Tran - 116787:	3,235.75
116788	8/26/26	DD	2176	PACIFIC OFFICE AUTOMATION, INC.	Monthly Billing	215.04
116789	8/26/26	DD	1241	PARAMOUNT COMMUNICATIONS, INC.	20 - Off-the-Dock Labor	6,823.06
					L1324R	1,694.79
					20 - Off-the-Dock Labor	3,728.54
					L685V	1,431.14
					Total for Check/Tran - 116789:	13,677.53
116790	8/26/26	DD	10095	PASCO TIRE FACTORY, INC.	Tire Disposal	77.32
116791	8/26/26	DD	10672	PEAK LOAD MANAGEMENT ALLIANCE	Membership Renewal 2026	2,850.00
116792	8/26/26	DD	10951	RELIANCE STANDARD LIFE INSURANC	Self Insured STD Fee	187.50
116793	8/26/26	DD	10947	RELIANCE STANDARD LIFE INSURANC	Basic AD&D	173.87
					Basic LIfe	869.35
					Non Barg Basic AD&D	84.24
					Non Barg Basic Dep LIfe	80.08
					Non Barg Basic LIfe	1,120.53
					Supplemental AD&D - Child	9.00
					Supplemental AD&D - EE	561.00
					Supplemental AD&D - Spouse	220.65
					Supplemental LIfe - Child	51.68
					Supplemental LIfe - EE	2,132.70
					Supplemental LIfe - Spouse	435.70

Accounts Payable
Check Register

08/17/2026 To 08/28/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
					LTD Buy-Up		1,304.62
					LTD Core No Buy-Up		3,242.14
						Total for Check/Tran - 116793:	10,285.56
116794	8/26/26	DD	146	S&C ELECTRIC COMPANY	Switchgear Padmount		86,979.00
116795	8/26/26	DD	396	SD MYERS, LLC	Gas/Oil Testing		144.00
116796	8/26/26	DD	2611	RICKY L SUNFORD	Safety Lens Reimbursement		294.29
116797	8/26/26	DD	1163	TYNDALE ENTERPRISES, INC.	Clothing-Wabaunsee		509.73
					Clothing-Michel		391.68
						Total for Check/Tran - 116797:	901.41
116798	8/26/26	DD	1048	UNITED WAY OF BENTON & FRANKLI	EE United Way Contribution		362.23
116799	8/26/26	DD	11062	VESTIS SERVICES, LLC	Weekly Svc		38.13
					Weekly Svc		40.67
					Weekly Svc		29.64
					Weekly Svc		54.59
					Weekly Svc		19.58
						Total for Check/Tran - 116799:	182.61

Total Payments for Bank Account - 1 :	(77)	620,557.62
Total Voids for Bank Account - 1 :	(0)	0.00
Total for Bank Account - 1 :	(77)	620,557.62

Accounts Payable
Check Register

08/17/2026 To 08/28/2026

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
92701	8/19/26	CHK	39	BENTON COUNTY	County GIS Prints		34.00
92702	8/19/26	CHK	259	BENTON FRANKLIN COMMUNITY ACT	Helping Hands		2,108.51
92703	8/19/26	CHK	614	BOB RHODES HEATING & AC, INC.	REEP		400.00
					REEP		400.00
					REEP		400.00
						Total for Check/Tran - 92703:	1,200.00
92704	8/19/26	CHK	4216	CNA SURETY	WA Blanket Highway Permit Bond		200.00
92705	8/19/26	CHK	243	FEDERAL EXPRESS CORP	Mailing Svc		33.15
					Mailing Svc		14.63
						Total for Check/Tran - 92705:	47.78
92706	8/19/26	CHK	10954	MILLERS ELECTRIC SERVICE, LLC	Remove/replace Meter		2,652.75
92707	8/19/26	CHK	128	PERFECTION GLASS, INC.	REEP		1,182.00
					REEP		1,980.00
					REEP		510.00
					REEP		450.00
					REEP		366.00
					REEP		138.00
						Total for Check/Tran - 92707:	4,626.00
92708	8/19/26	CHK	135	PROSSER, CITY OF	Monthly Billing		1.48
					Monthly Billing		13.78
					Monthly Billing		2,937.85
					Monthly Billing		1,264.90
						Total for Check/Tran - 92708:	4,218.01
92709	8/19/26	CHK	992	VERIZON NORTHWEST	Monthly Billing		3,492.69
92710	8/19/26	CHK	100	WASTE MANAGEMENT OF WASHINGT	Monthly Billing		389.80
					Monthly Billing		1,270.97
					Monthly Billing		764.92

Accounts Payable
Check Register

08/17/2026 To 08/28/2026

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference		Amount
						Total for Check/Tran - 92710:	2,425.69
92711	8/19/26	CHK	99999	RALPH RIOMONDO	NEEM Home Rebate		1,200.00
92712	8/26/26	CHK	2425	AT&T MOBILITY, LLC	Monthly Billing		5.45
92713	8/26/26	CHK	39	BENTON COUNTY	Easements 713829		306.50
					Easements 751902		305.50
					Easements 752390		309.50
					Easements 766209		305.50
					Easements 769535		305.50
					Easements 776254		306.50
						Total for Check/Tran - 92713:	1,839.00
92714	8/26/26	CHK	259	BENTON FRANKLIN COMMUNITY ACT	REEP		9,465.60
92715	8/26/26	CHK	35	BENTON PUD - CUSTOMER ACCOUNT	Monthly Billing		396.30
92716	8/26/26	CHK	342	BETTENDORF'S PRINTING & DESIGN, L	Hanger Tags		3,536.00
92717	8/26/26	CHK	11290	CANYON LAKE REHABILITATION &	Clean Building Incentive		3,632.85
92718	8/26/26	CHK	10075	COMMERCIAL LIGHTING SERVICES	Commercial Energy Efficiency Prg		4,852.00
92719	8/26/26	CHK	243	FEDERAL EXPRESS CORP	Mailing Svc		35.75
92720	8/26/26	CHK	4947	KENNEWICK CITY OF	Clean Building Incentive		8,200.08
92721	8/26/26	CHK	11236	LIFE CARE CENTER OF KENNEWICK	Commercial Energy Efficiency Prg		2,839.21
92722	8/26/26	CHK	17	MILNE FRUIT PRODUCTS, INC.	Industrial Energy Efficiency PRg		5,694.60
92723	8/26/26	CHK	128	PERFECTION GLASS, INC.	REEP		1,386.00
92724	8/26/26	CHK	141	RICHLAND, CITY OF	Fiber Lease		587.52
					Fiber Lease		587.52
					Fiber Lease		146.88
					Fiber Lease		293.76

08/17/2026 To 08/28/2026

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					Fiber Lease	146.88
					Fiber Lease	293.76
					Fiber Lease	293.76
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	1,468.80
					Fiber Lease	293.76
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	293.76
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	293.76
					Fiber Lease	293.76
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	146.88
					Fiber Lease	293.76
					Total for Check/Tran - 92724:	8,078.40
92725	8/26/26	CHK	178	WASHINGTON PUD ASSOCIATION	2026 special Building Repairs Assessment	79,400.00

Accounts Payable
Check Register

08/17/2026 To 08/28/2026

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
92726	8/26/26	CHK	10649	ZIPLY FIBER	Monthly Billing	288.95
92727	8/26/26	CHK	99999	TERRI L ALLESSIO	Credit Balance Refund	325.00
92728	8/26/26	CHK	99999	AR GENERAL CONSTRUCTION LLC	Credit Balance Refund	277.33
92729	8/26/26	CHK	99999	JAEL BAHENA	Credit Balance Refund	15.90
92730	8/26/26	CHK	99999	MEL BOWDEN	Credit Balance Refund	281.96
92731	8/26/26	CHK	99999	EDITH E CAPETILLO	Credit Balance Refund	176.04
92732	8/26/26	CHK	99999	ARNOLDO CHAPA	Credit Balance Refund	1,000.00
92733	8/26/26	CHK	99999	LETA L CHILDRESS	Credit Balance Refund	102.45
92734	8/26/26	CHK	99999	CTJ PROPERTIES LLC	Credit Balance Refund	55.22
92735	8/26/26	CHK	99999	DEB J DEAN	Credit Balance Refund	229.88
92736	8/26/26	CHK	99999	JESUS DIAZ TORRES	Credit Balance Refund	50.19
92737	8/26/26	CHK	99999	JAMES O DITTMER	Credit Balance Refund	486.78
92738	8/26/26	CHK	99999	REBECCA DUNCAN	Credit Balance Refund	143.94
92739	8/26/26	CHK	99999	JUDY DUNN	Credit Balance Refund	500.00
92740	8/26/26	CHK	99999	ELIZABETH ELLIS	Credit Balance Refund	52.20
92741	8/26/26	CHK	99999	SHANNON FETTEROLF	Credit Balance Refund	525.00
92742	8/26/26	CHK	99999	RAFAEL C GARCILAZO	Credit Balance Refund	9.26
92743	8/26/26	CHK	99999	SANDRA GRIFFEN	Credit Balance Refund	650.00
92744	8/26/26	CHK	99999	KRISTINA GUTIERREZ	Credit Balance Refund	152.50
92745	8/26/26	CHK	99999	TOM L HANKINS	Credit Balance Refund	450.00
92746	8/26/26	CHK	99999	BRYAN HATLEY	Credit Balance Refund	98.71

Accounts Payable
Check Register

08/17/2026 To 08/28/2026

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
92747	8/26/26	CHK	99999	ELISE J HOGUE	Credit Balance Refund	494.17
92748	8/26/26	CHK	99999	VALERIE D HUBBARD	Credit Balance Refund	400.00
92749	8/26/26	CHK	99999	WARREN C HUGHS	Credit Balance Refund	475.00
92750	8/26/26	CHK	99999	MARTHA MARTINEZ	Credit Balance Refund	325.00
92751	8/26/26	CHK	99999	NORCO INC.	Credit Balance Refund	97.92
92752	8/26/26	CHK	99999	YEREME OCHOA	Credit Balance Refund	7.71
92753	8/26/26	CHK	99999	SHAKHBOZ OKHUNOV	Credit Balance Refund	46.08
92754	8/26/26	CHK	99999	ELIAZAR OLIVAREZ	Credit Balance Refund	375.00
92755	8/26/26	CHK	99999	C M PERRY	Credit Balance Refund	400.00
92756	8/26/26	CHK	99999	DONNIE K POWERS	Credit Balance Refund	325.00
92757	8/26/26	CHK	99999	AUBREY L RAYMOND	Credit Balance Refund	24.31
92758	8/26/26	CHK	99999	SYLVIA ROCHA	Credit Balance Refund	336.31
92759	8/26/26	CHK	99999	JUAN M SERRANO	Credit Balance Refund	15.53
92760	8/26/26	CHK	99999	RON K SNYDER	Credit Balance Refund	300.00
92761	8/26/26	CHK	99999	JAMES SOMMERLUND	Credit Balance Refund	118.57
92762	8/26/26	CHK	99999	STARK DESIGN LLC	Credit Balance Refund	56.62
92763	8/26/26	CHK	99999	CASSIE M SUAREZ	Credit Balance Refund	600.00
92764	8/26/26	CHK	99999	TAKA SUSHI 1 LLC	Credit Balance Refund	66.85
92765	8/26/26	CHK	99999	MA E TORRES	Credit Balance Refund	98.54
92766	8/26/26	CHK	99999	WA STATE DEPT OF TRANSPORTATIO	Credit Balance Refund	2,469.15

Accounts Payable
Check Register

08/17/2026 To 08/28/2026

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
92767	8/26/26	CHK	99999	PAUL D WILLIAMS	Credit Balance Refund	450.00
92768	8/26/26	CHK	99999	RANDALL YEATS	Credit Balance Refund	52.85

Total Payments for Bank Account - 2 :	(68)	164,972.59
Total Voids for Bank Account - 2 :	(0)	0.00
Total for Bank Account - 2 :	(68)	164,972.59
Grand Total for Payments :	(145)	785,530.21
Grand Total for Voids :	(0)	0.00
Grand Total :	(145)	785,530.21

Accounts Payable
Check Register

ALL

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
7680	8/13/26	WIRE	2205	UNITED STATES TREASURY	Federal Income Tax	93,594.53
					Medicare - Employee	11,465.90
					Medicare - Employer	11,350.16
					Social Security - Employee	47,734.55
					Social Security - Employer	47,734.55
					Total for Check/Tran - 7680:	211,879.69
7681	8/13/26	WIRE	171	WASH STATE DEPT RETIREMENT SYS	ER PERS	42,530.89
					PERS Plan 2	37,808.62
					PERS Plan 3A 5% All Ages	1,534.88
					PERS Plan 3B 5% Up to Age 35	333.00
					PERS Plan 3B 6% Age 35-45	334.62
					PERS Plan 3E 10% All Ages	1,650.69
					Total for Check/Tran - 7681:	84,192.70
7682	8/13/26	WIRE	437	WASH STATE DEPT SUPPORT REGIST	Garnishment - Child Support	346.17
7683	8/14/26	WIRE	169	ENERGY NORTHWEST	Purchased Power	41,802.72
7684	8/14/26	WIRE	1567	MISSIONSQUARE RETIREMENT	457(b) Leave EE Contribution	1,527.96
					457(b) Roth EE Contribution	18,432.14
					ER Def Comp 401	22,495.06
					ER Def Comp 457	3,401.64
					Plan A 457(b) Employee Contribution	5,799.87
					Plan B 457(b) Employee Contribution	20,793.36
					Plan C 401(a) Option 1 EE Contribution	3,208.40
					Plan C 401(a) Option 2 EE Contribution	2,636.95
					Plan C 401(a) Option 3 EE Contribution	620.38
					Plan C 401(a) Option 4, Step 1 EE Contri	231.23
					Plan C 401(a) Option 4, Step 2 EE Contri	909.82
					Plan C 401(a) Option 4, Step 3 EE Contri	2,644.77
					Plan C 401(a) Option 4, Step 4 EE Contri	1,396.68
					Plan C 401(a) Option 5, Step 3 EE Contri	656.43

ALL

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran	Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
					Plan C 401(a) Option 5, Step 4 EE Contri	1,600.04
					Plan C 457(b) Employee Contribution	4,337.05
					Pre-Retire 457(b) Employee Contribution	1,884.62
					457 EE Loan Repayment #1	4,255.89
					457 EE Loan Repayment #2	679.39
					457 EE Loan Repayment #3	325.85
					457 EE Loan Repayment #4	71.97
					457 EE Loan Repayment #5	96.34
					Total for Check/Tran - 7684:	98,005.84
7685	8/17/26	WIRE	2570	THE ENERGY AUTHORITY, INC.	Purchased Power	34,096.18
7687	8/4/26	WIRE	10084	CITI MERCHANT SERVICES	Merchant Fees	36,771.50
7688	8/17/26	WIRE	436	BANK OF AMERICA	Banking Fees	1,924.78
7689	8/20/26	WIRE	169	ENERGY NORTHWEST	Transmission	138,278.80
7690	8/20/26	WIRE	2902	WHITE CREEK WIND I, LLC	Purchased Power	6,251.00
7694	8/26/26	WIRE	424	WASH STATE DEPT REVENUE-EXCISE	Utility Tax	586,528.64
					Use Tax	9,962.45
					Retailing & Wholesaling Tax	925.64
					Retail Sales Tax - Kennewick	207.44
					Service Tax	9,381.26
					Total for Check/Tran - 7694:	607,005.43
7695	8/26/26	WIRE	246	BONNEVILLE POWER ADMIN	Fiber Lease Agreement	737.00
					Purchased Power	10,335,804.00
					Total for Check/Tran - 7695:	10,336,541.00
					Total for Bank Account - 1 : (12)	11,597,095.81
					Grand Total : (12)	11,597,095.81

BENTON PUD - RESIDENTIAL CONSERVATION REBATE DETAIL

Date	Customer	Rebate Amount	Rebate Description
08/13/2026	CYNTHIA FARINELLI	$ 30.00	Rebate - Clothes Washer
08/13/2026	PAUL B HALE	$ 30.00	Rebate - Clothes Washer
08/20/2026	RALPH RIOMONDO	$ 30.00	Rebate - Clothes Washer
08/13/2026	CYNTHIA FARINELLI	$ 50.00	Rebate - Clothes Dryer
08/13/2026	PAUL B HALE	$ 50.00	Rebate - Clothes Dryer
08/20/2026	RALPH RIOMONDO	$ 50.00	Rebate - Clothes Dryer
08/20/2026	KIMBERLY ANDERSON	$ 20.00	Rebate - Level 2 EV Charger
08/20/2026	KIMBERLY ANDERSON	$ 250.00	Rebate - Electric Vehicle
08/20/2026	BRENT A JORDAN	$ 250.00	Rebate - Electric Vehicle
08/20/2026	JODIE LOYD	$ 250.00	Rebate - Electric Vehicle
		$ 1,010.00	

COMMISSION AGENDA ACTION FORM

Meeting Date:	September 8, 2026	
Subject:	Jobs Report for Commission	
Authored by:	Anna Hightower	Staff Preparing Item
Presenter:	Evan Edwards	Staff Presenting Item (if applicable or N/A)
Approved by:	Evan Edwards	Dept. Director/Manager
Approved for Commission:	Rick Dunn	General Manager/Asst GM

Type of Agenda Item:	**Type of Action Needed:** *(Multiple boxes can be checked, if necessary)*	
☒ Consent Agenda	☐ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☒ Info Only
☐ Public Hearing	☐ Approve Contract	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

For information only.

Background/Summary

District Resolution No. 1607 authorizes the General Manager to approve construction, and maintenance of work orders up to $100,000.

The attached summary table (Jobs Report) provides a list of work orders with an estimated cost of less than $100,000. The Jobs Report is presented generally once a month to the Commission for the purpose of maintaining open communications and accountability for projects of significant value; generally, over $15,000. The report is intended for information only with no Commission action being requested.

The attached Jobs Report provides a summary of work orders of significant value up to the $100,000 limit authorized for approval by the General Manager.

Recommendation

Report only.

Fiscal Impact

Report only.

Engineering Department
MEMO

To: Evan Edwards

From: Anna Hightower

Re: **Jobs Report to Commission**

Jobs Report for 9/8/2026 Commission Meeting							
Job No.	**Name**	**Location**	**Description**	**Designer**	**Estimated Job Cost**	**Reimb/Aid to Const.; Includes Salvage**	**Net Cost to BPUD**
763015	Mark Cramer	46415 E Badger Rd	3 Phase line extension for additional service to Badger Canyon Farms.	ALR	$44,064.66	$41,534.49	$2,530.17 (1)
771555	Santillan Homes	511 W 45th Ave	Single phase line extension to serve 3 residential lots.	TMG	$16,595.60	$15,614.85	$980.75 (2)
764807	BPUD	302 6th St	Joint Use – NESC Compliance One Touch Project	JWV	$25,294.90	$0.00	$25,294.90
772735	BPUD	2260 Lee Rd	Reject Pole Replacement – Prosser Double Circuit I-82 Crossing	CMB	$24,039.00	$0.00	$24,039.00
765247	BPUD	104 Babs Ave	Joint Use – NESC Compliance One Touch Project	JWV	$25,629.69	$0.00	$25,629.69
765387	BPUD	10806 E Kennedy Rd NE	Joint Use – NESC Compliance One Touch Project	JWV	$16,086.49	$0.00	$16,086.49

765389	BPUD	12506 E Kennedy Rd NE	Joint Use – NESC Compliance One Touch Project	JWV	$16,084.88	$0.00	$16,084.88
772240	BPUD	Mercer Ct	Replacing two primary poles due to clearance violations for garbage trucks in the alleyway.	ALR	$22,993.79	$0.00	$22,993.79
771301	Rudd McClory	905 E 4th Ave	Underground overhead primary power for clearance and provide single-phase service to 8 townhomes.	TMG	$50,210.03	$47,424.37	$2,785.66 (3)
763357	Gary Schefer	N 506 PR NE	Primary backbone for 8 Lot Short Plat	ALR	$35,900.07	$35,075.91	$824.16 (4)
769328	Brian Thoreson	Merlot Meadows Galaxy Ave	Underground line extension for 36 lot subdivision	CMB	$95,493.06	$87,410.79	$8,082.27 (5)
763012	Paul Lavrentiev	805 Babs Ave	8 Lot Short Plat for duplexes & triplexes. Will be 25 new services on this parcel.	ALR	$23,317.48	$21,630.69	$1,686.79 (6)
765391	BPUD	E Jacobs Rd & Field Rd	Joint Use – NESC Compliance One Touch Project	JWV	$15,236.93	$0.00	$15,236.93
765394	BPUD	22404 E Limestone Rd	Joint Use – NESC Compliance One Touch Project	JWV	$16,303.72	$0.00	$16,303.72
765400	BPUD	22908 E Kennedy Rd NE	Joint Use – NESC Compliance One Touch Project	JWV	$25,222.21	$0.00	$25,222.21
766350	BPUD	1100 Chris Ave	Joint Use – NESC Compliance One Touch Project	JWV	$32,759.51	$0.00	$32,759.51
767583	BPUD	515 9th ST	Joint Use – NESC Compliance One Touch Project	JWV	$28,642.98	$0.00	$28,642.98

767599	BPUD	1104 Della Ave	Joint Use – NESC Compliance One Touch Project	JWV	$28,667.94	$0.00	$28,667.94
746221	US Army Corps of Engineers	Pump Station 6B S Havana St	Three phase primary overhead line extension to new three phase pad mount transformer to serve pump station.	TMG	$26,254.34	$24,233.77	$2,020.57 (7)
757002	Stephen Chriss Walmart	2720 S Quillan St	Three phase line extension for 4-400kW EV chargers	ALR	$37,597.82	$35,970.10	$1,627.72 (8)
772805	Canal Landing Opportunity LLC	Canal Dr	Single phase line extension to provide service for 32 townhomes.	TMG	$33,891.28	$31,714.12	$2,177.16 (9)
771657	Hilario Melgarejo	W 38th Court & Vancouver	Single phase line extension to provide service to 14 residential lots.	TMG	$44,547.66	$42,094.77	$2,451.89 (10)
773949	North 44 Homes LLC	Clearwater Dr	Line extension to service two 4-plex units and future Desert Sands Phase 2 residential development.	TMG	$19,059.49	$18,294.39	$765.10 (11)
772132	John Hawley	Concord Way	Temporary reroute of overhead primary during construction phase of subdivision to allow grading.	ALR	$85,524.19	$83,326.43	$2,197.76 (12)

(1) 763015 – District Cost $2,530.17 includes the labor to install a 3 phase 2500 kVA 480/277 pad mount transformer plus travel time.

(2) 771555 – District Cost $980.75 includes the labor to install a single phase 25 kVA 240/120 pad mount transformer plus travel time.

(3) 771301 – District Cost $2,782.66 includes the labor to install an overhead single phase 37 kVA 120/240 transformer, 2 – single phase 50 kVA 240/120 pad mount transformers plus travel time.

(4) 763357 – District Cost $824.16 includes travel time to Benton City.

(5) 769328 – District Cost $8,082.27 includes the labor to install 5 – single phase 25 kVA 240/120 pad mount transformers, a single phase 37 kVA 240/120 pad mount transformer, 6 single phase 50 kVA 240/120 pad mount transformer plus travel time to Prosser.

(6) 763012 – District Cost $1,686.79 includes the labor to install a single phase 25 kVA 240/120 pad mount transformer, 2 – single phase 37 kVA 240/120 pad mount transformers, a single phase 50 kVA 240/120 pad mount transformer plus travel time to Benton City.

(7) 746221 – District Cost $2,020.57 includes the labor to install a three phase 500 kVA 480/277 pad mount transformer plus travel time.

(8) 757002 – District Cost $1,627.72 includes the labor to install a three phase 1000kVA 480/277 pad mount transformer plus travel time.

(9) 772805 – District Cost $2,177.16 includes the labor to install 5 – single phase 50 kVA 240/120 pad mount transformer plus travel time.

(10) 771657 – District Cost $2,451.89 includes the labor to install a single phase 25 kVA 240/120 pad mount transformer, a single phase 37 kVA 240/120 pad mount transformer, 3- single phase 50 kVA 240/120 pad mount transformer plus travel time.

(11) 773949 – District Cost $765.10 includes the labor to install a single phase 50 kVA 240/120 pad mount transformer plus travel time.

(12) 772132 – District Cost $2,197.76 includes the travel time to Prosser.

COMMISSION AGENDA ACTION FORM

Meeting Date:	September 8, 2026	
Subject:	Work Order 729619 –Tyler Tapani, west of KID main canal	
Authored by:	Chad Brooks	Staff Preparing Item
Presenter:	Michelle Ness	Staff Presenting Item (if applicable or N/A)
Approved by:	Evan Edwards	Dept. Director/Manager
Approved for Commission:	Rick Dunn	General Manager

Type of Agenda Item:	**Type of Action Needed:** *(Multiple boxes can be checked, if necessary)*	
☒ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☐ Contract/Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion approving work order 729619 for the installation of electric facilities to serve future lots.

Background/Summary

The developer has requested the installation of electric facilities necessary to develop the property and serve 20 future undeveloped residential lots. The project includes both fire mitigation and standard underground and overhead distribution facilities in a rural area from end of East Homestead Road continuing northwest to west side of future KID reservoir and then south westerly to remaining lots .

The proposed distribution line will serve the new development and extend the electric system to support additional lots to the west that are anticipated to be served along a future platted road.

Recommendation

Approval of work order 729619 will authorize the construction of electric facilities necessary to serve future residential lots.

Fiscal Impact

The estimated project cost is $198,021.07. The developer contribution in aid to construction (CIAC) is $191,702.51. The District will cover the estimated travel expenses of $6,318.56. District costs not paid by the developer are accounted for in the Customer Base Growth portion of the annual budget.

Projects to be Presented at the Benton PUD Commission Meeting On September 8th, 2026

Project Name: Tyler Tapani, west of KID main canal **WO#:** 729619

Location: West of Homestead Rd

Justification: Developer request for electric facilities to serve future lots.

Location Map

COMMISSION AGENDA ACTION FORM

Meeting Date:	September 8, 2026	
Subject:	Work Order 751335 – Farm Cable Replacement, Goose Ridge Vineyard	
Authored by:	Angela Richman	Staff Preparing Item
Presenter:	Michelle Ness	Staff Presenting Item (if applicable or N/A)
Approved by:	Evan Edwards	Dept. Director/Manager
Approved for Commission:	Rick Dunn	General Manager

Type of Agenda Item:	**Type of Action Needed:** *(Multiple boxes can be checked, if necessary)*	
☒ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☐ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion approving work order 751335 – Farm Cable Replacement – Goose Ridge Vineyard.

Background/Summary

Staff have identified 5,300 circuit feet of direct buried underground cable on Department of Natural Resources State Lands (operated by Goose Development LLC) that has multiple faults and reached the end of its useful life. All cable identified for replacement has been field verified as ALCN-type cable in need of replacement.

The identified cable is currently routed across agricultural circles and will be rerouted along access roads for ease of future maintenance.

Recommendation

Approval of work order #751335 will allow the District to replace failing direct buried unjacketed cable and reroute it for ease of accessibility to increase reliability to at Goose Ridge Vineyard.

Fiscal Impact

The estimated project cost is $145,316.14. This project is included in the proposed 2026 budget.

Projects to be Presented at the Benton PUD

Commission Meeting On

September 8th, 2026

Project Name: Farm Cable Replacement Project **WO#:** 751335

Location: Goose Ridge Vineyard

Justification: Replace direct buried primary underground cable.

Location Map

COMMISSION AGENDA ACTION FORM

Meeting Date:	September 8, 2026	
Subject:	Conservation Rebate Report for 2nd quarter 2026	
Authored by:	Terry Mapes	Staff Preparing Item
Presenter:	Chris Johnson	Staff Presenting Item (if applicable or N/A)
Approved by:	Chris Johnson	Dept. Director/Manager
Approved for Commission:	Rick Dunn	General Manager

Type of Agenda Item:	**Type of Action Needed:** *(Multiple boxes can be checked, if necessary)*	
☒ Consent Agenda	☐ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☒ Info Only
☐ Public Hearing	☐ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

None.

Background/Summary

Per Resolution No. 2048, staff prepares on a quarterly basis, a report detailing conservation program rebates paid that exceed $50,000.

During the 2nd quarter of 2026 there were no conservation rebates paid greater than $50,000.

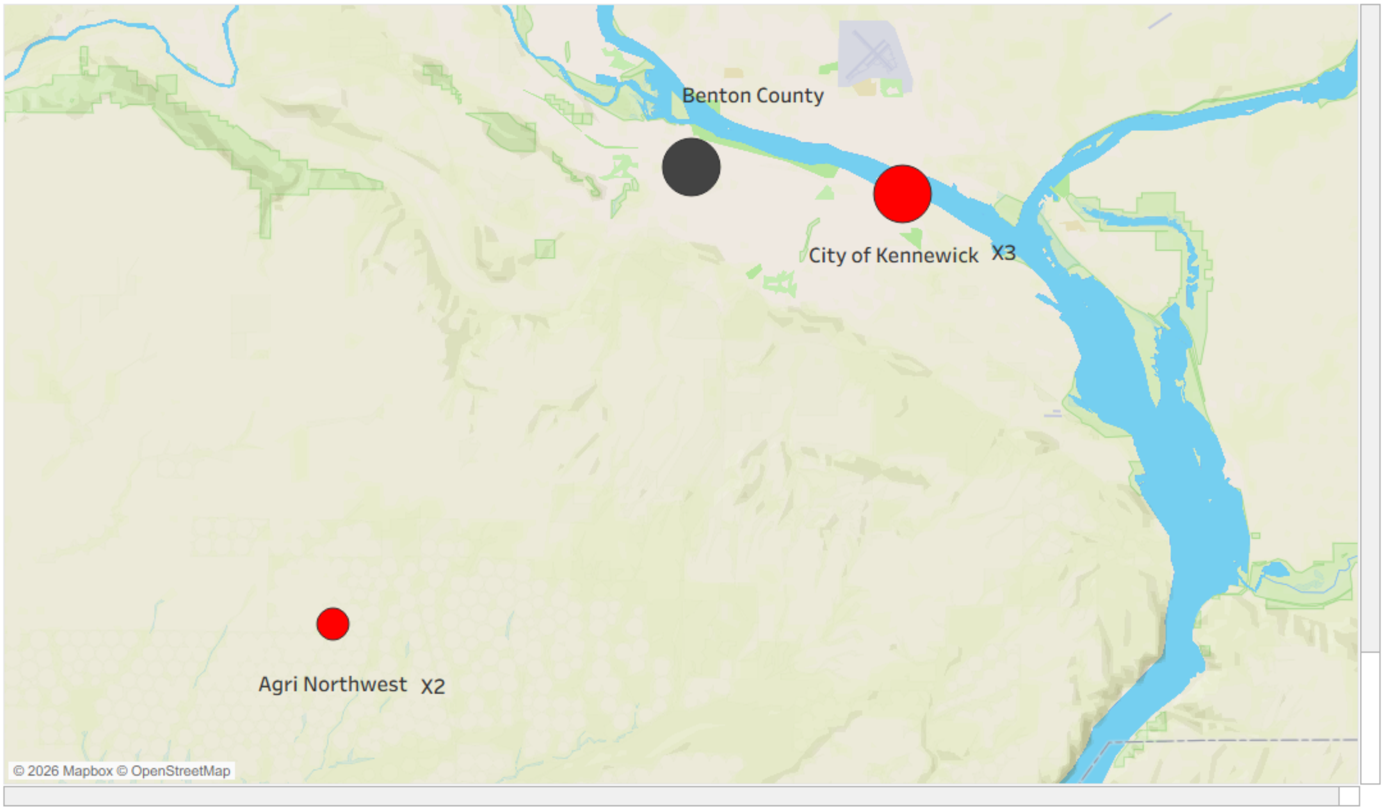
There are two agricultural storage sheds and two large projects at the City of Kennewick Wastewater Treatment Plant scheduled to be completed in 2026 which collectively result in rebates over $540,000.

Recommendation

Informational only.

Fiscal Impact

There were no rebates issued for large projects in Q2 2026. All rebates are included in the District's 2026 annual conservation budget and qualify for reimbursement from BPA funding.



2026-27 Past Projects				
Customer	Payment	Sector	Project Name	
City of Kennewick	2025	Industrial	Expansion Pump VFDs	$57,228
Grand Total				**$57,228**

2026 Quarter Two Projects				
Customer	Payment	Sector	Project Name	
Null	2026	Null	no projects at this time	
Grand Total				

Future Projects				
Customer	Payment	Sector	Project Name	
Agri Northwest	2026	Industrial	Penstock J25-028	$64,264
			Penstock J25-029	$64,264
City of Kennewick	2026	Industrial	Aeration Improvements	$266,000
			Solids Facilities	$150,000
Grand Total				**$544,528**

Clean Buildings Projects*				
Customer	Payment	Sector	Project Name	
Benton County	2027	Commercial	Justice Center	$413,766
Grand Total				**$413,766**

* Clean Building Act projects show the Wa State incentive paid to our customer which is funded by an equal reduction in District monthly excise tax (similar to past solar incentive programs). These projects may also qualify for District internal conservation program incentives.

COMMISSION AGENDA ACTION FORM

Meeting Date:	September 8, 2026	
Subject:	Contract #24-18-03, NEOGOV, Change Order #2	
Authored by:	Jennifer Holbrook	Staff Preparing Item
Presenter:	Jennifer Holbrook	Staff Presenting Item (if applicable or N/A)
Approved by:	Jennifer Holbrook	Dept. Director/Manager
Approved for Commission:	Rick Dunn	General Manager

Type of Agenda Item:	**Type of Action Needed:** *(Multiple boxes can be checked, if necessary)*	
☒ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☒ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to sign change order #2 of contract #24-18-03 with NEOGOV in the amount of $36,809.30 to implement the Onboard Module bringing the total not to exceed amount to $261,995.61 plus Washington State sales tax.

Background/Summary

The District originally entered into a contract with NEOGOV in 2019 after conducting an evaluation of software packages to support Human Resource functions. NEOGOV was selected due to their focus on public sector employers, the flexibility and ease of configuring their software tools and the modular nature of their software suite. Two of their modules (GovernmentJobs.com and Insight) were implemented in 2019 to support recruiting efforts. In 2021 the District added the Learn module to present and track training content for employees. In 2022, Perform was added as the performance management module for staff.

In 2024, the District extended the agreement with NEOGOV for an additional 5 years with fixed pricing. Staff would like to add a new module with NEOGOV – Onboard which will create a more modern and streamlined onboarding process for new hires and for staff. NEOGOV has provided a quote for the implementation of this new module along with subscription fees that extend the term of the five-year agreement.

Recommendation

Executing this change order will allow staff to implement the Onboard Module within NEOGOV and provide a more modern and streamlined onboarding process for new hires.

Fiscal Impact

The costs to implement the Onboard module and the ongoing subscriptions costs are included in the O&M budget for Department 18.

CONTRACT CHANGE ORDER

Contract #: 24-18-03
Change Order #: 2
Vendor Name: NEOGOV
E-Mail: egoodwin@neogov.com
Effective Date: 9/8/26
Contract Work Manager: Jennifer Holbrook
Contract Title: Onboard Module

Change Order Description:

Change order to implement the Onboard Module increasing the contract total by $36,809.30 for a new not-to-exceed amount of $261
,995.61.

Change order Total: $36,809.30
Original Contract Total: $225,186.31
New Contract Total: $261,995.61

EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE CONTRACT REMAIN UNCHANGED AND IN FULL FORCE AND AFFECT
The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56.

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY	NEOGOV
BY:	BY:
PRINT:	PRINT:
TITLE:	TITLE:
DATE:	DATE:

COMMISSION AGENDA ACTION FORM

Meeting Date:	September 8, 2026	
Subject:	Completion and Acceptance of Contract #25-46-09 – Cabling & Technology Services	
Authored by:	Jennifer Holbrook	Staff Preparing Item
Presenter:	Michelle Ochweri	Staff Presenting Item (if applicable or N/A)
Approved by:	Jon Meyer	Dept. Director/Manager
Approved for Commission:	Rick Dunn	General Manager

Type of Agenda Item:	**Type of Action Needed:** *(Multiple boxes can be checked, if necessary)*	
☒ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☐ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to sign Contract Project Completion and Acceptance for H2F Fiber Backbone Build by Cabling & Technology Services Contract #25-46-09, in the amount of $310,902.21 including Washington State sales tax in accordance with RCW 54.04.080.

Background/Summary

The District entered into a contract on September 23, 2025, with Cabling & Technology Services for the H2F Fiber Backbone Build. This work was completed and accepted by the District on April 22, 2026.

Recommendation

The work for this project from Cabling & Technology Services has been completed and the invoices have been received and paid; therefore, the retainage can be released.

Fiscal Impact

This project completion and acceptance will have no additional fiscal impact on the District.

PROJECT COMPLETION AND ACCEPTANCE
(Contracts $120,000 before tax and greater)

TO: Commission/General Manager
Benton PUD

CONTRACT NUMBER :25-46-09
PO NUMBER :58197

The following information is submitted to the Commission/General Manager after being reviewed and certified as being accurate by District staff. The work has been fully completed and approved by the staff.

CONTRACT TITLE	: H2F Backbone Build
CONTRACT DESCRIPTION	: H2F Backbone Build
CONTRACTOR NAME	: Cabling & Technology Services
UBI NUMBER	: 602970115
AFFIDAVIT NUMBER	: 1526968, 1538541, & 1551030
DATE WORK COMMENCED	: 11/06/2025
DATE WORK COMPLETED	: 04/22/2026
DATE ACCEPTED BY STAFF	: 04/22/2026
CONTRACT BID AMOUNT	: $269,456.12
CONTRACT ADDITIONS	: $18,150.00
ACTUAL CONTRACT AMOUNT	: $287,606.12

FINAL INVOICE AMOUNT	: $287,606.12
TOTAL SALES TAX PAID	: $23,296.09
TOTAL CONTRACT AMOUNT PAID	: $310,902.21
AMOUNT RETAINED	: $14,380.31

Submitted by: Levi Lanphear Date: 08/20/2026

Accepted by: ______________________ Date: ______________________
Michelle Ochweri, Manager of Procurement

Accepted by Commission: ______________________ Date: ______________________

Bonding Co: Merchants Bonding Company

Original – Vault File
Copy to Accounting
Revised August 10, 2026

COMMISSION AGENDA ACTION FORM

Meeting Date:	September 8th 2026	
Subject:	Contract Award — National Auto Fleet Group – One (1) 2027 Ford Super Duty F-350 Truck with Stahl Service Body Package - Contract #26-32-02 (WA State DES Contract #13022)	
Authored by:	Shawn Harper	Staff Preparing Item
Presenter:	Shawn Harper	Staff Presenting Item (if applicable or N/A)
Approved by:	Chris Folta	Dept. Director/Manager
Approved for Commission:	Rick Dunn	General Manager

Type of Agenda Item:	**Type of Action Needed:** *(Multiple boxes can be checked, if necessary)*	
☒ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☒ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion to award Contract #26-32-02 (WA State DES Contract #13022) for one (1) 2026 Ford Super Duty F-350 Truck with Stahl Service Body Package to National Auto Fleet Group, for the total amount of $123,979.50 plus Washington State sales tax in accordance with RCW 54.04.080.

Background/Summary

As part of the District's annual fleet evaluation, staff reviews vehicle age, mileage, condition, operational reliability, and replacement scoring to determine when replacements are appropriate. Through this process, Foreman Truck #188 was identified as meeting the District's criteria for replacement in order to maintain a reliable and effective fleet

The Kennewick Foreman Truck #188 is 11 years old with 117,712 recorded miles and 9,336 engine hours, equivalent to approximately 186,720 miles of engine use. The District's fleet replacement evaluation assigns the vehicle a total replacement score of 442.5 points, exceeding the current replacement threshold of approximately 300 points. The vehicle's projected replacement year was 2022. Continued operation increases the risk of downtime and higher maintenance costs. Replacing this vehicle supports the District's ability to provide dependable service and ensures the crew has safe and reliable equipment to perform daily operations.

The replacement vehicle will be purchased through the WA State DES (Sourcewell) Contract #13022. Use of this contract allows the District to leverage competitively bid pricing, streamline the procurement process, and ensure compliance with applicable purchasing requirements. Ordering through Sourcewell provides cost efficiency while reducing administrative time associated with separate bidding.

Recommendation

We recommend the replacement F-350 cab and chassis with service-body upfit be ordered from National Auto Fleet Group per the WA State DES (Sourcewell) Contract #13022, Government Quote ID WA35591.

Fiscal Impact

The total cost for the replacement F-350 cab and chassis with service-body upfit is $123,979.50, plus applicable sales tax. This vehicle was approved and budgeted in the 2026 capital plan for $95,000. A budget adjustment has been requested for 2027.

Contract # 26-32-02
(WA State DES #13022)

CONTRACT
MATERIALS/EQUIPMENT

This agreement is made and entered into on the 8th day of September 2026, by and between:

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, hereinafter referred to as "the District",
AND
NATIONAL AUTO FLEET GROUP hereinafter referred to as "the Vendor".

WITNESSETH:

That the Vendor for the consideration hereinafter fully set out, and the District, for the consideration of material furnished, agrees that:

1. SCOPE OF WORK: Provide one (1) new/unused 2026 Ford Super Dudy F-350 DRW XL Crew Cab 179" WB 60" CA truck with Stahl service body upfits, per attached National Auto Fleet Group Quote ID # WA35591, in accordance with WA State DES Contract (Sourcewell) #13022.

2. DELIVERY & ACCEPTANCE:

   The Vendor shall deliver both units as described above F.O.B. destination to Washington Auto Carriage (WAC), located at 5301 E. Broadway Ave. Spokane WA 99212, on the Districts behalf for upfit by December 31, 2026; failure to do so may result in damage to the District. Delivery shall be coordinated with WAC and the District two business days prior to delivery.

   - Point of contact for WAC: Mike Frank, Service Manager - mike@waautocarriage.com, 509-535-0363

   Once upfit is complete by WAC, vendor shall deliver both units as described above F.O.B. destination to the District located at 1500 S. Ely St. Kennewick, WA 99337.

   - Point of contact for the District: Shawn Harper, Superintendent of Support Services – harpers@bentonpud.org, 509-528-6667.

   Testing and Acceptance of conforming items by the District shall occur within the number of days after delivery as specified in the bid specification (if applicable). Items that fail to meet acceptance criteria as specified in the bid specifications shall be rejected. Acceptance or rejection by the District to the Vendor shall be in writing.

Contract # 26-32-02
(WA State DES #13022)

3. PAYMENT:

Payment will be made within thirty days of Acceptance by the District or receipt of a valid invoice from the Vendor whichever occurs later.

The District agrees to pay the Vendor for the material/equipment the sum of One Hundred Twenty-Three Thousand, Nine Hundred Seventy-Nine Dollars, and Fifty Cents ($123,979.50), plus applicable Washington State Sales Tax.

The District agrees to Net 20 Days term for the upfit invoicing and Net 30 Days term for the cab and chassis.

4. GUARANTEE:

The Vendor guarantees the one (1) new/unused 2027 Ford Super Dudy F-350 DRW XL Crew Cab 179” WB 60” CA trucks with upfits against all defects in workmanship and in design as stated on quote # WA35591 provided by National Auto Fleet Group.

5. PERFORMANCE BOND:

The Vendor shall furnish, in favor of the District, a Performance Bond as required by the Contract Documents, and this Contract shall not obligate the District until such Performance Bond has been tendered.

The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56. The vendor expressly acknowledges and agrees that its proposal and any information vendor submits with its proposal or which vendor submits to the District in its performance of any contract with the District is subject to public disclosure pursuant to the Public Records Act or other applicable law and the District may disclose vendor’s proposal and/or accompanying information at its sole discretion in accordance with its obligations under applicable law.

The District must comply with the Preservation and Destruction of Public Records RCW 40.14. The vendor expressly acknowledges and agrees that it will maintain all records and documentation related to the contract in accordance with its obligations under applicable law.

In the event that the District receives a request pursuant to the Washington Public Records Act, or other legal process requesting or mandating disclosure of any information or documents submitted to the District by vendor, the District’s sole obligation shall be to notify the vendor promptly, so that the vendor at vendor’s expense and cost, may seek court protection of any of the requested information vendor deems confidential.

Contract # 26-32-02
(WA State DES #13022)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

PUBLIC UTILITY DISTRICT NO. 1
OF BENTON COUNTY

BY: ______________________________________

PRINT: ___________________________________

TITLE: ___________________________________

DATE: ____________________________________

NATIONAL AUTO FLEET GROUP

BY: ___________________________________

PRINT: ________________________________

TITLE: _________________________________

DATE: _________________________________

UBI NO. _______________________________

Contract # 26-32-02
(WA State DES #13022)

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: That whereas, **Public Utility District No. 1 of Benton County**, Washington, a municipal corporation, hereinafter designated as the "District", has entered into an agreement dated September 8th, 2026, with, **National Auto Fleet Group** hereinafter designated as the "Vendor", providing for one each cab and chassis foreman trucks, for which agreement is on file at the District's office and by this reference is made a part hereof.

NOW, THEREFORE, We, the undersigned Vendor as principal, and a corporation organized and existing under and by virtue of the laws of the State of ______________________ and duly authorized to do a surety business in the State of Washington, as surety, are held and firmly bound into the State of Washington and the District in the sum of

($123,979.50) plus Washington State sales tax

for the payment of which we do jointly and severally bind ourselves, our heirs, executors, administrators, successors, and assigns by these presents.

THE CONDITIONS OF THIS OBLIGATION are such that if the said principal, his heirs, representatives or successors, shall well and truly keep and observe all of the covenants, conditions, and agreements in said contract and shall faithfully perform all of the provisions of the contract, pay all taxes of the Vendor arising therefrom, and pay all laborers, mechanics, subcontractors, and material men and all persons who shall supply such person or subcontractors with provisions and supplies for carrying on such work, and shall indemnify and save harmless the District, their officers, and agents, from any and all claims, actions or damage of every kind and description including attorneys' fees and legal expense and from any pecuniary loss resulting from the breach of any of said terms, covenants, or conditions to be performed by the Vendor:

Contract # 26-32-02
(WA State DES #13022)

AND FURTHER, that the Vendor will correct or replace any defective work or materials discovered by the said District within a period of one year from the date of acceptance of such work or material by said District, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

No change, extension of time, alteration, or addition to the work to be performed under the agreement shall in any way affect Vendor's or surety's obligation on this bond, and surety does hereby waive notice of any change, extension of time, alterations, or additions thereunder.

This bond is furnished in pursuance of the requirements of Sections 54.04.080 et seq. of Revised Code of Washington, and, in addition to other Vendors and surety to the District for the use and benefit of said District together with all laborers, mechanics, subcontractors, material men, and all persons who supply such person or subcontractors with provisions and supplies for the carrying on of the work covered by the agreement to the extent required by said Revised Code of Washington.

IN WITNESS WHEREOF, the said Vendor and the said surety have caused this bond to be signed and sealed by their duly authorized officers this ____ day of ________________, 2026.

____
Surety

____
Title

____
Vendor

____
Title

COMMISSION AGENDA ACTION FORM

Meeting Date:	September 8, 2026	
Subject:	Contract Award Recommendation – Sunheaven East Substation Fiber Build - Formal Quote #26-46-08	
Authored by:	Jennifer Holbrook	Staff Preparing Item
Presenter:	Jennifer Holbrook	Staff Presenting Item (if applicable or N/A)
Approved by:	Jennifer Holbrook	Dept. Director/Manager
Approved for Commission:	Rick Dunn	General Manager

Type of Agenda Item:	**Type of Action Needed:** *(Multiple boxes can be checked, if necessary)*	
☒ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☐ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☒ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to sign Contract #26-46-08 (State Contract #05620), for Sunheaven East Substation Fiber Build for a not to exceed amount of $166,757.00 plus Washington State sales tax.

Background/Summary

The District issued formal quote #26-46-08 to construct a 6.25 mile aerial and underground fiber extension build from existing District-owned fiber facilities at Prior #4 substation and terminating at the newly constructed Sunheaven #3 substation. This fiber optic cable will have the capability of providing secure, reliable, high bandwidth services allowing communication to backhaul of critical Supervisory control and data acquisition (SCADA) data.

Qualified vendors on the Washington State DES Contract (#05620) were asked to provide quotes for this project. The engineer's estimate for the project was $190,000.00.

Quotes were received on Wednesday, August 26, 2026, and recorded as follows:

Company	Construction Services	Contractor Provided Materials	Total Price
Paramount Communications	$143,317.00	$23,440.00	$166,757.00

Recommendation

Awarding this formal quote to Paramount Communications will allow the District to provide reliable, high-bandwidth telecommunication services for our SCADA communications as part of our strategic plan enabling the 21st century power grid.

Fiscal Impact

The 2026 Operational Technology budget includes $193,000 for this project.

CONTRACT
26-46-08
Sunheaven East Substation Fiber Build

On this 8th day of September 2026, **PUBLIC UTILITY DISTRICT NO.1 of BENTON COUNTY** (the *District*) and **PARAMOUNT COMMUNICATIONS INC.** (the *Contractor*) agreement to be bound by the following terms and conditions:

1.1 The Work. Contractor, in consideration of the payments to be made to it, agrees to perform the Work, fulfilling all of Contractor's obligations, in strict conformity with the terms and conditions of the Contract Documents.

1.2 Contract Documents. The complete Contract Agreement consists of:

- This Contract Agreement.
- Washington State Contract #05620
- The Formal Quote Document
- Contractor's Proposal to The District/NoaNet. However, if any conflict exists between Contractor's Proposal and the Contract Documents designated in paragraphs (a) and (b) above, the above designated Contract Documents shall control unless the parties otherwise mutually agree in writing.

1.3 Compensation. As full compensation for proper performance of all of Contractor's obligations, The District/NoaNet will pay Contractor compensation in the amount of **$166,757.00**, in accordance with the payment provisions of the Contract Documents.

1.4 Applicable Law. Contractor shall comply with all applicable federal, state, tribal (if applicable) and local laws, regulations and codes. The law of the state of Washington shall govern this contract and all questions relating to it. The substantially prevailing party in any legal action shall be entitled to recover all costs of suit including but not limited to reasonable attorney's fees. NoaNet, if it is the prevailing party, shall be entitled to recover expert witness fees and all payroll costs of its personnel and travel expenses in connection with legal action. The venue of any legal action involving NoaNet, and the Contractor shall, at The District's option, be exclusively in a court of competent jurisdiction of the State of Washington, County of Benton, or the U.S. District Court for the Eastern District of Washington.

The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56. The contractor expressly acknowledges and agrees that its proposal and any information contractor submits with its agreement or which contractor submits to the District in its performance of any contract with the District is subject to public disclosure pursuant to the Public Records Act or other applicable law and the District may disclose contractor's proposal and/or accompanying information at its sole discretion in accordance with its obligations under applicable law.

The District must comply with the Preservation and Destruction of Public Records RCW

40.14. The contractor expressly acknowledges and agrees that it will maintain all records and documentation related to the contract in accordance with its obligations under applicable law.

In the event that the District receives a request pursuant to the Washington Public Records Act, or other legal process requesting or mandating disclosure of any information or documents submitted to the District by contractor, the District's sole obligation shall be to notify the contractor promptly, so that the contractor at contractor's expense and cost, may seek court protection of any of the requested information contractor deems confidential.

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY	**PARAMOUNT COMMUNICATIONS INC.**
BY: ___________________________________	BY:___________________________________
PRINT: _________________________________	PRINT:________________________________
TITLE: _________________________________	TITLE:_________________________________
DATE: _________________________________	DATE:_________________________________
	UBI NO. _______________________________

1. GENERAL CONDITIONS

a. DEFINITIONS

1.1 When used in these Contract Documents, the following terms shall have the following meanings:

- "The District/NoaNet" means Northwest Open Access Network (NoaNet) acting as an agent of Public Utility District No. 1 of Benton County (The District).
- “the District” means Public Utility District No. 1 of Benton County.
- "Contractor" means the entity that submits a formal quote which is awarded the Contract.
- "Contract Documents" or “Contract” means the Contract as defined in the Contract Agreement
- The "Work" means the entire undertaking and includes all labor, materials, plant, tools, supplies, equipment, transportation, supervision, design, services, goods and other things necessary, appropriate or incidental to the carrying out and completion of all tasks described in the Contract Documents in full conformity with the Contract Documents.
- "Contract Work Manager" means the individual(s) designated by the District/NoaNet to serve as the representative of the District/NoaNet in dealings with the Contractor.
- "Inspector" means that individual(s) designated by The District/NoaNet as The District/NoaNet's Inspector of the Work.
- “Observer” means the individual(s) designated by The District/NoaNet as The District/NoaNet’s Observer.
- "Contractor's Representative" means the individual whom the Contractor designates.
- "Architect" means the person or firm designated as the Architect.
- “Manager of Procurement” means the person designated by The District to serve as the representative of The District in dealings with the Contract.

b. INTENT OF DOCUMENTS

1.1 The Contract Documents contain the entire agreement between The District/NoaNet and the Contractor. Any understanding or communication of any kind preceding the date of execution of the Contract shall be binding only to the extent that it is set forth in writing in the Contract.

1.2 All parts of the Contract Documents are correlative and complementary. The Contractor shall perform any work required by one part but not mentioned in another to the same extent as though required throughout. The misplacement, addition or omission of a word or character shall not change the intent of any document from that contained in the Contract Documents as a whole.

1.3 If any provisions in the Contract Documents conflict, the Contract Documents shall take precedence in the following order:

- Contract Agreement
- Change Orders
- Addenda
- Special Conditions
- General Conditions
- Specifications - Technical Provisions
- Contract Drawings
- Instructions to Contractor
- Performance Bond
- Contractor's Proposal

c. DISCOVERY OF ERRORS, OMISSIONS OR DISCREPANCIES IN CONTRACT DOCUMENTS

1.1 If at any time the Contractor finds any discrepancy between the Contract Documents and the Work, or finds any errors, inaccuracies or omissions in the Contract Documents, it shall immediately inform The District/NoaNet in writing. Any work done after reasonable opportunity to discover, but before receipt of written authorization from The District, shall be at the Contractor's sole risk and expense.

d. INSURANCE/RISK OF LOSS

1.1 The Contractor and each of its subcontractors hereunder, if any, shall, at their own expense, obtain insurance as provided below from reliable insurance companies acceptable to The District and authorized to do business in the state of Washington. Such insurance shall be in force at the time the Work is commenced and shall remain in force until the Work is accepted as complete by The District, unless a later date is specified. The Contractor and its subcontractors shall maintain in force during the entire period of this Contract at least the following insurance:

- <u>Workers' Compensation Insurance</u>. Workers' Compensation insurance as required by the laws of the state of Washington, and Employers' Liability insurance for all employees of the Contractor and subcontractors in the amount of $1,000,000 per accident.

  If there is an exposure for injury to Contractor's or subcontractors' employees under the United States Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or under laws, regulations or statutes applicable to maritime employees, or any similar laws, regulations or statutes, coverage shall be included for such injuries or claims.

- General Liability Insurance. Commercial General Liability insurance covering all operations by or on behalf of the Contractor and subcontractors, on an occurrence basis, against claims for personal injury (including bodily injury and death) and property damage (including loss of use). Such insurance shall provide coverage for:

  - Premises and operations.
  - Products and completed operations (which shall remain in effect for a period of at least three (3) years following the completion date).
  - Contractual liability.
  - Broad form property damage including completed operations.
  - Explosion, collapse, and underground hazards.
  - Personal injury liability (with deletion of the exclusion for liability assumed under Contract).
  - Hostile fire pollution liability with a $1,000,000 minimum limit per occurrence for bodily injury, personal injury and property damage combined, if policy aggregates, if any, shall apply separately to claims occurring with respect to the Work. The aggregate limits, if any, shall apply separately to each annual policy period.

- Automobile Liability Insurance. Automobile liability insurance against claims of personal injury (including bodily injury and death) and property damage covering all owned, leased, non-owned and hired vehicles used in the performance of the Work, with $1,000,000 minimum limit per accident for bodily injury and property damage combined and containing appropriate No-Fault insurance provision wherever applicable.

- Property Insurance. If the Work consists of construction of a building or other structure or equipment installed on The District property, property insurance in the amount of the compensation specified in item 3 of the Contract Agreement (Part IV, Contract Forms, Section 1) as well as modification of that amount for the Work at the site on a replacement cost basis without voluntary deductibles. This property insurance shall include interest of The District, the Contractor, and subcontractors of any tier in the Work. Property insurance shall be on an "all risk" policy form and shall insure against the perils of fire and extended coverage and physical loss or damage including, without duplication of coverage, theft, vandalism, malicious mischief, collapse, false work, temporary building and debris removal, including demolition occasioned by enforcement of any applicable legal requirements.

- Aircraft/Watercraft Insurance. If the performance of the Work requires the use of any aircraft that are owned, leased, rented, or chartered by the Contractor or any of its subcontractors, Aircraft Liability Insurance with a $5,000,000 minimum limit per occurrence for property damage and bodily injury, including passengers and crew. If the performance of the Work requires the use of any watercraft that are owned, leased, rented or chartered by the Contractor or any of its subcontractors, Watercraft Liability insurance with a minimum limit of $1,000,000 per occurrence for property damage and bodily injury.

1.2 Endorsements:

- All insurance policies to be maintained by the Contractor shall provide for Waiver of Subrogation in favor of The District.

  - All insurance policies, except Workers' Compensation, to be maintained by the Contractor shall:
  - Provide Severability of Interests or Cross Liability Clause.
  - Provide that the insurance shall be primary and not excess to or contributing with any insurance or self-insurance maintained by The District; and
  - Name The District, its officers and employees as Additional Insured.

- Prior to commencing the Work, certificates evidencing that satisfactory coverage of the type and limits set forth above in paragraphs 4.1 and 4.2 shall be furnished to The District. Such certificates shall be in a form acceptable to The District and shall contain provisions that no reductions, cancellations or material changes in the policies shall become effective except upon 30-days written notice to The District; provided, however, that no such reduction, cancellation or material changes in any policy shall relieve the Contractor of its obligation to maintain coverages in accordance with paragraphs.

- In no event shall the amount or scope of the insurance required by this section place any limitation on the liability assumed by the Contractor elsewhere in this Contract.

- Irrespective of the requirements as to insurance to be carried by the Contractor as provided herein, insolvency, bankruptcy or failure of any insurance company to pay all claims accruing, shall not be held to relieve the Contractor of any of its obligations.

- Contractor shall defend, indemnify and hold The District harmless from any failure of the Contractor or its subcontractors to secure and maintain insurance as required by this Contract.

e. WORKMANSHIP AND MATERIALS/COMPONENTS AND INSPECTION

1.1 All workmanship, materials and components shall be equal in quality to the best in the industry and area as determined by The District/NoaNet. Unless the Contract

Documents expressly provide otherwise, all materials and components shall be new and without flaws or defects of any type. These materials and components shall be well suited for the purposes of the Work and shall be as specified by patent or proprietary name and/or names of manufacturer.

1.2 The Contractor shall submit to The District/NoaNet for approval detail drawings and prints of fabricated materials and components entering into the Work if the Contract Documents call for these submittals or if The District/NoaNet requests them. Approval of these prints and drawings shall not operate to waive or modify any provision or requirement contained in these Contract Documents. These drawings and prints shall become the property of The District/NoaNet.

1.3 The inspection of the Work will be conducted under the general direction of the Contract Work Manager and will be inspected by Inspectors who will enforce a strict compliance with the terms of the Contract. The presence or lack of presence of the Inspector shall not relieve the Contractor or responsible agent of any responsibility for the proper execution of the Work.

f. SAMPLES & INFORMATION / MATERIALS OR COMPONENTS

1.1 If the Contract Documents require, or if The District/NoaNet requests, the Contractor shall submit for approval sample specimens of materials or components.

1.2 If the Contract Documents require or if The District/NoaNet requests, the Contractor shall furnish to The District/NoaNet full information concerning any materials or components which it contemplates incorporating into the Work.

g. SUBSTITUTIONS OF MATERIALS OR PROCESSES

1.1 If the specifications and/or Contract drawings allow the substitution of "approved equal" materials, processes, components or items of equipment, The District/NoaNet will decide the question of equality. Substituted materials, processes, components or items of equipment, installed or used without The District/NoaNet's prior written approval, shall be at the risk of later rejection.

h. REFERENCED STANDARDS & SPECIFICATIONS

1.1 The Contractor shall perform all tasks in full compliance with the manufacturer's recommendations unless otherwise expressly specified in the Contract Documents.

1.2 Reference in the specifications to known standards such as codes, standard specifications, etc., promulgated by professional or technical associations, institutes or societies shall mean the latest edition of each standard adopted and published as of the date of the Formal Quote, unless otherwise specified in the Contract Documents. Each standard referred to shall be considered a part of the specifications. The following is a representative, though partial, list of such organizations, together with the abbreviation by which each is identified:

ACI	American Concrete Institute
AEIC	Association of Edison Illuminating Companies
AI	Asphalt Institute
AIA	American Institute of Architects
AISC	American Institute of Steel Construction
ANSI	American National Standards Institute
APWA	American Public Works Association
ASA	American Standards Association
ASHRAE	American Society of Heating, Refrigerating and Air Conditioning Engineers
ASME	American Society of Mechanical Engineers
ASTM	American Society of Testing and Materials
AWS	American Welding Society
AWWA	American Water Works Association
CFR	Code of Federal Regulations
CSI	Construction Specifications Institute
EEI	Edison Electric Institute
ICBO	International Conference of Building Officials
ICEA	Insulated Cable Engineers Association
IEEE	Institute of Electrical and Electronics Engineers
IES	Illumination Engineering Society
NBS	National Bureau of Standards
NEC	National Electrical Code
NEMA	National Electrical Manufacturers Association
NESC	National Electric Safety Code
NFPA	National Fire Protection Association
OSHA	Occupational Safety & Health Administration
UBC	Uniform Building Code
UL	Underwriter's Laboratories, Inc.
UMC	Uniform Mechanical Code
UPC	Uniform Plumbing Code
WABO	Washington Association of Building Officials
WAC	Washington Administrative Code
WISHA	Washington Industrial Safety and Health Act

1.3 If applicable, all materials and equipment for which Underwriter's Laboratories, Inc., standards have been established and their label service available shall bear the appropriate UL label.

1.4 The specifications contained in the Contract Documents shall supersede any conflicting provisions of the applicable standards and any conflicting manufacturer's recommendations.

i. INDEPENDENT CONTRACTOR, SUPERINTENDENCE AND EMPLOYEES

1.1 The Contractor acts as an independent Contractor. It shall maintain complete control over all its employees and subcontractors of any tier and their employees. The

Contractor shall perform the Work in an orderly and workmanlike manner and enforce strict discipline among its employees and subcontractors of any tier and their employees.

1.2 Before starting work, the Contractor shall designate in writing a representative who shall be authorized to represent and act on behalf of the Contractor. The Contractor's letter designating this representative shall clearly define any limitations of this authority. The Contractor's Representative shall be present at the work site at all times while work is actually in progress. During periods when work is suspended, if any, the Contractor shall either have its representative present or make arrangements acceptable to The District/NoaNet for any work which may be required. The Contractor's Representative shall be supported by competent assistants if appropriate, and the Contractor's Representative and assistants shall all be satisfactory to The District/NoaNet. All directions which The District/NoaNet gives to the Contractor's Representative shall be as binding as if given to the Contractor.

1.3 The Contractor shall employ and allow employment of only competent and skillful persons to do the Work. If The District notifies the Contractor that a person employed on the project, in its opinion, is incompetent, is disorderly, refuses to carry out the provisions of the Contract, uses threatening or abusive language, or engages in threatening or abusive conduct to any person involved in the Work or is otherwise unsatisfactory, the Contractor shall immediately remove that person and shall not re-employ that person on the Work without The District's consent.

1.4 The use, sale or possession by any employee of Contractor or subcontractor of any intoxicating liquor, controlled substance, drugs not medically authorized, or other substance that impairs job performance or poses a hazard to the safety or welfare of the employee, other employees, the public or The District personnel is strictly prohibited. The Contractor shall immediately remove, or cause to be removed, any employee or subcontractors' employee who violates this provision.

1.5 The Contractor shall be responsible for labor relations. It shall assure that harmony exists among workers and trades on the project. The Contractor shall be responsible to see that no cessation or stoppage of work because of jurisdictional disputes occur pending settlement of the dispute.

j. SAFETY, SANITARY AND MEDICAL REQUIREMENTS

1.1 The Contractor, at its own costs and expense, shall protect its own employees, employees of subcontractors, The District/NoaNet employees and all other persons from risk of death, injury or bodily harm arising out of or in any way connected with the Work. The Contractor shall strictly comply with all safety orders, rules, regulations or requirements of all federal, state and local governmental agencies exercising jurisdiction over safety relating to the Work, including, but not limited to, federal OSHA and state WISHA regulations, and shall comply fully with all applicable safety requirements, policies and rules. The Contractor is responsible to notify The District/NoaNet before use on The District/NoaNet property of any hazardous material. The Contractor shall furnish to The District/NoaNet a copy of any Material

Safety Data Sheet (MSDS) relating to any hazardous material delivered and/or used on NoaNet property within twenty-four (24) hours of the arrival of such material on-site. The Contractor is further responsible for proper use and disposal of any hazardous material and for conducting operations in accordance with all local, state and federal guidelines and restrictions. The Contractor shall effectively carry out the safety, sanitary and medical requirements referenced in the Contract Documents, required by law, or appropriate to perform the Work properly and to protect the safety and health of all workers.

1.2 The Contractor shall stress safe practices by all workers and shall provide and enforce the use of guards, helmets, goggles and other safety devices required by federal and state laws and regulations.

1.3 The Contractor shall maintain all portions of the Work in a neat, clean and sanitary condition at all times. The Contractor shall supply toilets where needed for use by workers on the Work and shall strictly enforce their use.

1.4 The Contractor shall comply with all federal and state regulations pertaining to first-aid facilities.

1.5 If the Work involves trench excavation which will exceed a depth of four (4) feet, the Contractor shall utilize adequate safety systems for the trench excavation. These safety systems must meet all safety requirements, including those specified by WISHA. Compliance with these requirements shall be included as a separate line item in the Contractor’s Formal Quote (RCW 39.04.180).

1.6 Periodically The District/NoaNet may arrange an inspection to verify compliance with laws, regulations and codes with representatives of organizations responsible for the enforcement of regulations relating to safety, sanitary and medical requirements.

k. PROTECTION OF WORK AND THE ENVIRONMENT

1.1 The Contractor shall properly protect the Work, including all equipment and materials, from damage due to the nature of the work, the action of the elements, the carelessness of others, or any other cause, until the completion and acceptance of the Work. If any damage occurs, the Contractor shall repair it at its own expense, to the satisfaction of The District/NoaNet.

1.2 The Contractor shall rebuild, repair and restore any damage occurring before the final acceptance, and it shall bear all the expenses to do so, except damage caused by: (a) acts of God, such as earthquakes, floods or other cataclysmic phenomenon of nature, or (b) acts of war. The foregoing exceptions shall not apply if damages result from the Contractor's failure to take reasonable precautions or to exercise sound practices in conducting the Work. Nothing contained in this section shall be construed as relieving the Contractor from responsibility for, or damage resulting from, the Contractor's operations or its negligence.

1.3 The Contractor shall strictly adhere to the requirements of federal, state, county, or city permits. In addition, the Contractor shall also perform the work deemed necessary to conform to the rules and regulations required by the National Oceanic and Atmospheric Administration, or any other governing agency, and any other environmental stipulations regarding said permits.

If any violations are discovered, the Contractor shall stop work and immediately correct the violation without The District incurring any additional costs.

RCW 39.04.120 provides that the Contract Documents are, to the extent reasonably obtainable, to include those provisions of federal, state and local statutes, ordinances and regulations dealing with the prevention of environmental pollution and the preservation of public natural resources which affect or are affected by the Work. These Contract Documents incorporate by reference those provisions. Contractor may contact the Contract Work Manager to arrange to examine the provisions. Contractor shall fully comply with this legislation and with all applicable federal and state orders, permits, approvals, certifications, licenses, ordinances and regulations and any other applicable environmental legislation.

l. CLEANING UP

1.1 The Contractor shall keep the premises which it occupies, and access to the premises, in a neat, clean and safe condition, free from rubbish. Upon completion of any portion of the Work, the Contractor shall promptly remove all equipment, temporary structures and surplus materials which it will not use at or near the same location during later stages of the Work.

1.2 Upon completion of the Work, and as a precondition to final payment, the Contractor shall satisfactorily remove and dispose of all rubbish and debris resulting from its work and all its equipment, tools, buildings and unused materials. The Contractor shall leave the premises in a neat, clean and safe condition. If the Contractor fails to do this, The District/NoaNet may, at the Contractor’s expense, remove and dispose of, or have removed and disposed of, the rubbish and debris.

m. THE DISTRICT/NOANET’S RIGHT TO TERMINATE OR TO SUSPEND WORK

1.1 The District/NoaNet may, at its discretion at any time, terminate this Contract or suspend work under this Contract by giving three (3) days written notice. The Contractor shall only be compensated on the basis of the total Contract that has been satisfactorily completed as determined by The District/NoaNet.

n. PROTEST PROCEDURE / WAIVER

1.1 If the Contractor disagrees with anything contained in a change order, any written order or any oral order from The District, The District/NoaNet, Contract Work Manager, the Architect or Manager of Procurement (including any direction, instruction, interpretation or determination by any of the foregoing), the Contractor shall:

- Immediately, before doing the work, deliver to NoaNet a signed written notice of protest.
- Supplement the written protest within five (5) business days with a written statement providing the following:

  - ➢ The date of the protested order.
  - ➢ The nature and circumstances which cause the protest.
  - ➢ The Contract provisions upon which the Contractor bases its protest.
  - ➢ The estimated dollar cost, if any, of the protested work and the method used to determine that cost; and
  - ➢ If the Contractor is asserting a schedule change or disruption, an analysis of the progress schedule showing the schedule change or disruption.
- If the protest is continuing, the information required above shall be supplemented as requested by The District.

1.2 Throughout any protested work, the Contractor shall keep complete records of all costs and time incurred. The Contractor shall provide The District/NoaNet or its designee with access to these and any other records requested by The District/NoaNet to evaluate the protest.

1.3 The District/NoaNet will evaluate all protests, provided the procedures in this section are followed.

1.4 Despite any protest, the Contractor shall proceed promptly with the Work.

1.5 The Contractor accepts all requirements of a change order by: (a) endorsing it; (b) writing a separate acceptance; or (c) not protesting in the manner which this section requires. A change order which is not protested as required in this section shall be full payment and final settlement of all claims for Contract time and for direct, indirect and all other costs, including claimed costs of delays, related to any work either covered or affected by the change. By not protesting as this section requires, the Contractor also waives any additional entitlement and accepts The District/NoaNet's written or oral order (including directions, instructions, interpretations and determinations). By failing to identify any claim as required by this section, the Contractor waives any claims for protested work.

1.6 The Contractor shall be solely responsible for any costs or expenses arising from its failure to request any instructions or interpretations.

o. ACTS OF DEFAULT

1.1 Any of the following non-exclusive lists of events constitute default by the Contractor and a material breach of the Contract:

- The Contractor abandons the Work.

- The Contractor fails to supply sufficiently skilled workers, suitable materials or suitable equipment or performs work of a quality below that called for in the Contract Documents.

- The Contractor fails to maintain the schedule of work or fails to meet any of the schedules specified in the Contract Documents.

- The Contractor violates laws, regulations or orders of any public body having authority.

- The Contractor fails to make prompt payment for labor, materials, supplies or equipment or to subcontractors.

- The Contractor fails to provide the approved Notice of Intent to Pay Prevailing Wages or fails to provide and maintain in effect the insurance required by contract.

- The Contractor fails to comply with the conditions, specifications or provisions of the Contract Documents.

- The Contractor is careless or incompetent as determined by The District/NoaNet.

- The Contractor ceases or is unable to pay its debts as they mature or authorizes or takes any action under bankruptcy or reorganization, readjustment of debt, insolvency, liquidation or if other similar laws or proceedings under any such laws are instituted against it.

- The Contractor assigns this Contract, or sublets work without first obtaining NoaNet's permission.

1.2 If the Contractor fails to remedy any of the above acts of default within ten (10) calendar days after The District/NoaNet delivers to it written notice of the default, The District/NoaNet may, without limiting any other remedy available to it, either withhold any amounts otherwise due under the Contract and/or terminate the Contractor's right to proceed with all or any portion of the Work. The District/NoaNet shall also have the right, but shall not be obligated, to complete the Work by whatever method The District/NoaNet deems expedient including employing another Contractor or Contractors under any contract(s) The District/NoaNet deems advisable. The District/NoaNet may provide any labor or materials and perform all or any part of the Work which has been terminated. To complete the Work, The District/NoaNet shall have the right to take possession of and to use any or all of the materials, plant, tools, equipment, supplies and the property furnished by the Contractor for the Work. The Contractor shall not remove any materials, tools, equipment or supplies from their location at the time of termination without the prior written consent of The District/NoaNet.

1.3 The expense of completing the Work, together with a reasonable charge for awarding and administering any contract(s) and the damages caused by the delays thus occasioned in completing the Work will be charged to the Contractor. The District/NoaNet will deduct the amounts described in the preceding sentence from any amounts which may be due or may become due to the Contractor. In case the expenses exceed the amounts due or to become due, the Contractor shall, upon notice from The District/NoaNet, promptly pay to The District/NoaNet the amount of the excess. The District/NoaNet shall not be required to obtain the lowest figures for Contract completion but may make those expenditures which in its sole discretion will best accomplish timely, quality completion.

1.4 The District/NoaNet's termination of a Contractor shall not affect any rights of The District/NoaNet against the Contractor then existing, or which may thereafter accrue. Any retention or payment of moneys by The District/NoaNet due to the Contractor shall not release the Contractor from liability.

p. TIME AND MANNER OF PAYMENT TO CONTRACTOR

1.5 The District/NoaNet may withhold from the Contractor payment if the Contractor's performance of its Contract obligations is unsatisfactory, or if the Contractor's Payment Request does not comply with the requirements of the Contract. The Contractor's Payment Request shall be deemed not to comply with the requirements of the Contract if: (a) proper documentation of the amounts claimed in the Payment Request is not on file with The District/NoaNet; (b) the extent of completion or amount of labor/materials listed in the Contractor's Payment Request exceeds the extent of completion or amount of labor/materials actually made on or provided for the Work; (c) a properly filled out Request for Final Payment, Certificate, and Release for final payment is not on file with The District/NoaNet; (d) a completed Certificate of Insurance is not on file with The District/NoaNet; (e) the Statement of Intent to Pay Prevailing Wages of the Contractor and each subcontractor of any tier is not on file with The District/NoaNet; (f) the Affidavit of Wages Paid of the Contractor and each of its subcontractors is not on file with The District/NoaNet (for final payment/release of retainage); (g) a certificate from the Washington State Department of Labor & Industries pursuant to RCW 60.28.060 is not on file with The District/NoaNet (for final payment/release of retainage); (h) a certificate from the Washington State Department of Revenue pursuant to RCW 60.28.060 is not on file with The District/NoaNet (for final payment/release of retainage); (i) certification from the Washington State Employment Security Department is not on file with The District/NoaNet (for final payment/release of retainage): (j) Within the first fifteen (15) days of each calendar month, the Contractor for construction has not completed Cleanup for construction during the preceding calendar month. The term "Cleanup" shall mean all work necessary to enable the construction units called for in the Contract Documents to meet specifications as built and to restore the terrain to an acceptable condition: or (k) the Contractor's Payment Request is otherwise not in compliance with the Contract Documents. The Contractor's performance of its Contract obligations is unsatisfactory if: (a) the Contractor's labor/materials are defective or not performed or supplied in accordance with the Contract Documents; (b) a reasonable doubt exists that the Contract can be completed for the balance remaining unpaid; (c) the Contractor has failed to meet any warranty specified in the Contract Documents; (d) the Contractor has failed to complete any part of the Work in accordance with the work schedule; or (e) the Contractor's performance of its Contract obligations is otherwise not in compliance with the Contract Documents. To the extent the Contractor includes in any Payment Request amounts for unsatisfactory work, that payment request shall not be in compliance with the Contract Documents.

1.6 In no event shall The District/NoaNet be responsible to the Contractor or any other party for interest on any amounts retained by The District/NoaNet in accordance with the terms and provisions of this Contract and RCW 60.28, except that interest specified in RCW 60.28.

1.7 If RCW 39.12 (Prevailing Wages on Public Works) applies to the Work, The District/NoaNet will make no payment to the Contractor until the Contractor has submitted to The District/NoaNet for itself and each subcontractor of any tier a "Statement of Intent to Pay Prevailing Wages" in compliance with RCW 39.12.040. The Contractor shall certify on each Payment Request that it has paid prevailing wage rates in accordance with this Statement of Intent. The District will not issue final payment until the Contractor has satisfied all requirements of RCW 39.12.

1.8 The District/NoaNet may set off from any payment otherwise due amounts sufficient to pay claims of The District/NoaNet against the Contractor (e.g., amounts due or to become due by The District/NoaNet because of failure of the Contractor to complete any part of the Work in compliance with the Work Schedule, amounts for unsatisfied claims of The District/NoaNet against the Contractor related or unrelated to the Work, claims for which the Contractor is responsible to provide indemnity by terms of the agreement) and to pay claims by a subcontractor, material men, supplier, claimant, laborer, or others who have submitted a claim to The District/NoaNet.

q. DETERMINATION OF QUANTITIES FOR PAYMENT

1.1 The quantity of work to be paid under any item for which a unit price is fixed in the Contract Documents will be the number of units of work satisfactorily completed in accordance with the Contract Documents, as determined by the Architect/, or if no Architect/Contract Work Manager is designated for the Work, the Manager of Procurement. The quantity of work to be paid under any item for which a lump price is fixed in the Contract shall be based on the percentage of work properly completed in accordance with the Contract Documents, as determined by the Architect/Contract Work Manager, if no Architect/Contract Work Manager is designated for the Work, the Manager of Procurement. The District/NoaNet will make no payment for work done outside the contractually prescribed limits. Measurements and computations will be made by those methods which the Architect/Contract Work Manager or the Manager of Procurement deems appropriate for the type of work measured.

1.2 Materials properly installed in place may be considered in determining the value of work completed.

1.3 For such items, the Contractor shall provide to The District/NoaNet invoices from each supplier. Each invoice shall be detailed sufficiently to enable The District/NoaNet to determine the actual cost. Payment for such items shall not exceed the total Contract cost for the Contract item, less retainage. If payment is based upon an unpaid invoice, the Contractor shall provide The District with a paid invoice not later than twenty (30) calendar days after the initial payment for the item on hand. If the paid invoice is not furnished by this time, any payments made by The District will be deducted from the next progress estimate and withheld until the paid invoice is supplied. Payment for an item on hand shall not constitute acceptance. Any item may be rejected if found to be faulty, even if payment for it has been made.

1.4 Contractor shall take all reasonable precautions for the safety of and shall provide all reasonable protection to prevent damage, injury, or loss to all materials and equipment to be incorporated into the project, whether in storage on or off the site, under the care, custody or control of the Contractor or any of its subcontractors or suppliers or subcontractors. Risk of loss for any item shall remain with the Contractor until final acceptance by The District/NoaNet.

r. ACCEPTANCE; PAYMENT OF RETAINAGE

1.1 The Contractor must complete the following steps before payment/release of retainage is made:

- The Contractor shall complete the Work.
- The Contractor shall submit to The District/NoaNet a request for payment/release of retainage, certificate and release. The request for payment of retainage, certificate and release shall:
    - ➢ warrant that the Contractor has fully completed all work described in the Contract Documents.
    - ➢ warrant that the Contractor has fully paid for all labor, materials, equipment, services, taxes and all other costs and expenses relating to this Contract.
    - ➢ set out all amounts due the Contractor from The District/NoaNet and remaining unpaid.
    - ➢ state the amount and nature of all present and future claims which the Contractor contends it has or may have against The District/NoaNet relating to the Work. The certificate and release shall be prepared on the basis of the Contract, including all authorized change orders, inclusive of claims of the Contractor which have not been accepted by executed change order. The certificate and release shall constitute a waiver of all claims by the Contractor against The District/NoaNet except unsettled claims specifically identified in the certificate and release; and
    - ➢ state the name of the claimant or potential claimant and the amount and nature of the claim or potential claim against the Contractor, if any dispute exists between the Contractor and any entity to which the Contractor might be obligated in connection with this Contract.

1.2 The District will pay/release retainage to the Contractor, in accordance with RCW 60.28.

- The Contractor has completed all Contract Work.
- The District receives a release from the Washington State Department of Revenue of all taxes, increases and penalties due or to become due from the Contractor for the Work.
- The District receives from the Washington State Employment Security Department certification that the Contractor has paid in full all contributions, penalties and interest due the Employment Security Department which are due or to become due from the Contractor for the Work.
- The claims of subcontractors, material men, claimants and laborers, if any, who have filed claims, together with a sum sufficient to cover the cost of handling any proceedings involving foreclosure of these liens/retainage claims, including attorney's fees, have been paid.
- The Contractor supplies to The District any other releases required by applicable statutes or regulations.

1.3 No payment to the Contractor shall diminish or release the Contractor from responsibility to comply with the Contract Documents and warranty.

1.4 If any lien/retainage claims remain unsatisfied after final payment is made, the Contractor shall immediately refund to The District any amounts which The District has paid to discharge those lien/retainage claims including all costs, expenses and attorney's fees incurred in resolving the claims.

1.5 The Contractor shall be responsible for payment to The District of those direct and indirect costs associated with the handling of lien/retainage claims relating to the Work. These costs shall include, but not be limited to administration, clerical, accounting and legal costs.

s. WARRANTY

1.1 The Contractor warrants that: (i) the Work is performed/supplied in a workmanlike and skillful manner; (ii) the Work in all respects is of good quality, free from all faults and defects in workmanship, material, design and title; (iii) the Work strictly complies with the requirements of the Contract Documents; and (iv) all materials, equipment and other items incorporated into the Work or consumed in the performance/supply of the Work are new and of the most suitable grade for the purpose intended.

1.2 The warranty extends for the duration of the Contract and for one (1) year after final acceptance of the Work by The District/NoaNet. If, during the one (1) year warranty period, the Work is not available for normal use due to a failure to comply with the requirements of the Contract Documents or any warranty, the time of unavailability shall not be counted as part of the warranty period. If at any time during the warranty period The District/NoaNet notifies the Contractor of any failure to comply with the warranty, the Contractor shall promptly and, at the time The District/NoaNet directs, correct the noncompliance and remedy any damage to other items of the Work or any other property resulting from the noncompliance. The warranty period shall then be extended for any corrected work until the expiration of one (1) year after acceptance by The District/NoaNet of the correction or the expiration of the original warranty period, whichever is later. All costs involved in correcting and remedying any noncompliance (including, but not limited to, the removal, replacement and reinstallation of items necessary to gain access) shall be borne by the Contractor.

1.3 Neither acceptance nor final payment nor partial or entire use of the Work by The District/NoaNet, shall relieve the Contractor of warranty responsibility. The rights and remedies of The District/NoaNet provided in this section are in addition to and do not in any way limit any other warranties, expressed or implied, rights or remedies afforded to The District/NoaNet by the Contract Documents or by law.

1.4 The Contractor warrants that the Work is free of any claim of patent infringement. The Contractor shall either defend or settle, at its own expense, any claim, suit or proceeding against The District/NoaNet based on a claimed patent infringement. The Contractor shall pay all damages and costs awarded against The District/NoaNet due to this breach. If the Work or any part of it is held to constitute an infringement and the use of the Work or any part of it is enjoined, the Contractor shall, at its own expense, either procure for The District/NoaNet the right to continue using the Work or replace the Work with non-infringing work acceptable to The District/NoaNet.

t. LAWS AND REGULATIONS

1.1 The Contractor shall keep itself fully informed about all laws, ordinances and regulations in any manner affecting those engaged or employed on the Work, or the materials used in the Work or in any way affecting the conduct of the Work, and of all orders and decrees of bodies or tribunals exercising any jurisdiction or authority over any aspect of the Work. If any discrepancy or inconsistency exists between the Contract Documents and any law, ordinance, regulation, order or decree, the Contractor shall immediately report this in writing to The District/NoaNet. The Contractor shall at all times comply with all laws, regulations, codes, orders and decrees applicable to the Work.

u. LICENSES, PERMITS AND TAXES

1.1 The Contractor shall be licensed or registered to the extent required by the laws of the state of Washington (RCW 39.06.010). Upon request, the Contractor shall furnish proof satisfactory to The District/NoaNet that its license and registration are in effect throughout the Contract period.

1.2 Unless the Contract Documents expressly provide otherwise, the Contractor, at its own expense, shall secure all permits, licenses and authorizations necessary to perform the Work. Additionally, the Contractor shall give all notices necessary to the proper and lawful performance of the Work.

1.3 Unless otherwise expressly stated in the Contract Documents, the Contractor shall pay all taxes of every nature due and payable by the Contractor to the State of Washington and all other states, their political subdivisions and/or the United States in connection with the Work. The Contractor shall make any and all payroll deductions required by law. The Contractor shall pay or cause to be paid all taxes and employer contributions imposed by federal and state laws with respect to remuneration of employees of the Contractor and any subcontractor and all interest and penalties payable under those laws for any noncompliance.

1.4 Material to be supplied is for the exclusive use of a political subdivision of the State of Washington. It is exempt from any federal manufacturer's excise tax by virtue of Section 4221 of the Internal Revenue Code.

1.5 Prices shall include taxes in connection with the Work, including Washington Business and Occupation Tax. The District will reimburse the Contractor for sales or use taxes correctly levied against The District in connection with this Work and timely paid by the Contractor. Upon application for payment, the Contractor, if it is not required to have a Washington State tax number, shall so notify NoaNet. For this Contractor, The District will pay the Washington State or local sales or use taxes levied against The District in connection with the Work.

v. INDEMNITY

1.1 TO THE FULLEST EXTENT PERMITTED BY LAW, THE CONTRACTOR SPECIFICALLY AND EXPRESSLY AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS THE DISTRICT/NOANET, its Commissioners, officers, employees and Authorized Representative from and against all suits, actions, proceedings, claims, demands, judgments, damages, penalties, fines, royalties and expenses (including, but not limited to reasonable attorney fees and interest), whether arising before or after final acceptance of the Work arising out of or due to:

- Any act, omission, fault, strict liability or negligence of the Contractor or its subcontractors in connection with or incident to performance of the Work or this Contract.
- Any injury to or death of any person or persons (including any employee(s) of subcontractors) or damage to any property or environment in connection with or incident to performance of the Work or this Contract.
- Any claims of subcontractors' material or equipment suppliers (or entities supplying labor, materials or equipment through subcontractors or material or equipment suppliers) and any lien/retainage claims arising out of or in connection with the performance of the Work or this Contract.
- Any failure of the Contractor or its subcontractors to comply with all applicable laws, ordinances, rules, regulations, orders, licenses, permits or other requirements of any governmental authority.
- Any correction by The District/NoaNet of defective, deficient or non-complying work.
- Any failure of the Contractor or subcontractors to secure all licenses and permits and to pay all taxes; or

- Any failure by the Contractor or any subcontractor to comply with the warranty against patent infringement set out herein.
- The Contractor's obligation to indemnify The District/NoaNet against suits, actions, proceedings, claims, demands, judgments, damages, penalties, fines and expenses arising from bodily injury to person(s) or damage to property caused by or resulting from the concurrent negligence of The District/NoaNet, its agents or employees, and the Contractor, its agents or employees, in situations where the Work consists of construction, alteration, repair, addition to, subtraction from, improvement to or maintenance of any building, road, excavation or other structure, project, development or improvement attached to real estate, including moving and demolition in connection therewith, shall be valid and enforceable only to the extent of the negligence of the Contractor, its agents, subcontractors and employees. Furthermore, in the situations described in this paragraph 32.2, the Contractor shall not be obligated to indemnify The District/NoaNet for the sole negligence of The District/NoaNet, its agents or employees.

1.2 THE CONTRACTOR ACKNOWLEDGES THAT BY ENTERING INTO A CONTRACT WITH THE DISTRICT/NOANET, IT HAS MUTUALLY NEGOTIATED THE ABOVE INDEMNITY PROVISION WITH THE DISTRICT/NOANET.

1.3 AS TO CLAIMS FOR INDEMNITY OR OTHERWISE BY THE DISTRICT/NOANET, THE CONTRACTOR SPECIFICALLY AND EXPRESSLY WAIVES ANY IMMUNITY UNDER INDUSTRIAL INSURANCE, RCW 51, AND ACKNOWLEDGES THAT THIS WAIVER WAS MUTUALLY NEGOTIATED BY THE CONTRACTOR AND THE DISTRICT/NOANET.

w. NO WAIVER

1.1 No waiver or modification of any provisions of the Contract Documents shall be valid and binding upon The District/NoaNet unless the waiver or modification is in writing. A waiver shall neither be nor be construed to be a waiver of any past or future default or breach, nor a modification of any of the terms or conditions of the Contract, except to the extent expressly stated in the waiver.

x. PROHIBITION AGAINST ASSIGNMENT

1.1 The Contractor shall neither assign this Contract in whole or in part nor any monies due or to become due under this Contract without the prior written consent of The District/NoaNet. Any assignment without The District/NoaNet's prior written consent is void.

y. NOTICES

1.1 The District/NoaNet may deliver to the Contractor's Representative, fax to the Contractor’s current fax number, or mail to the address given by the Contractor in its formal quote, any written notice which the Contract Documents provide is to be given to the Contractor. The Contractor may deliver, or mail to The District/NoaNet any notice which the Contract Documents provide that the Contractor is to give to The District/NoaNet.

z. SEVERABILITY

1.1 If any part of the Contract Documents is found to be in conflict with applicable law, that part shall be inoperative and void only to the extent that it conflicts with the law, but the remainder shall have full force and effect.

2. SPECIAL CONDITIONS

a. DESCRIPTION OF THE WORK

1.1. Contractor to furnish and install those units as outlined in the Formal Quote Worksheet per the The District/NoaNet Construction Standards and the unit definitions in the Formal Quote Worksheet.

Contractor will be required to adhere to The District/NoaNet warehouse procedures for obtaining owner furnished materials. Fiber Optic Cable for this project has been tested and is in good condition. OTDR shots will be made available to awarded contractor. Further guidance for fiber optic cable is provided as a construction standard.

Contractor authorized working hours are 4 days a week, 10 hours a day unless otherwise specified by permit.

Construction to commence at a date mutually agreed upon with Contractor and The District/NoaNet, but no later than 21 days upon receipt of DOT permit, weather permitting. Construction to be completed within 90 calendar days upon Notice to Proceed, which will be delivered no later than 7 days prior to mutually agreed commencement date. The 90 calendar days to complete the project includes splicing, clean-up and owner acceptance.

Contractor may elect monthly progress billing provided units invoiced are for those that have had cable installed either in conduit or attached to poles. Contractor will be required to submit affidavit of wages paid to Washington State LNI for each and every progress invoice.

Please refer to design maps for actual quantities, descriptions and details.

b. PRICE SCHEDULE

1.1 Prices proposed by the Contractor should be submitted on Formal Quote Summary and Formal Quote Worksheet showing unit costs prices; the file should be titled Formal Quote #26-46-08 and the Total on each of these locations filled out on Formal Quote Summary. Incomplete formal quotes will not be considered.

c. CUSTOMER RELATIONS

1.1 The Contractor agrees that its personnel and equipment shall at all times present a neat appearance. All work shall be done, all contacts with the customers made, and all complaints handled, with due regard for s public relations. The Contractor agrees that complaints of any nature received from property owners or public authorities shall receive immediate attention. All complaints and any action taken by the Contractor in connection with such complaints shall be reported to The District/NoaNet. It is understood that the Contractor does not represent The District/NoaNet and has no authority to obligate The District/NoaNet for any payment or benefit of any kind to any person.

d. PAYMENT

1.1 Within thirty (30) days of received of invoice, the Owner shall make partial payment to the Contractor for construction accomplished which includes cleanup during the preceding calendar month on the basis of completed Assembly Units invoiced by and certified to by the Contractor, recommended by the Engineer and approved by the Owner solely for purposes of payment. Provided, however, that such approval shall not be deemed approval of the workmanship or materials. Only ninety-five percent (95%) of each such invoice approved during the construction of the project shall be paid by the Owner to the Contractor prior to completion of the Contract. Upon completion by the Contractor of the construction of the Project, the Engineer will prepare a Final Inventory of the project showing the total number of and character of Assembly Units and, after checking such Inventory with the Contractor, will certify it to the Owner, together with a certificate of the total cost of the construction performed. Upon the approval of such certificates by the Owner and the Administrator, the Owner shall make payment to the Contractor of all amounts to which the Contractor shall be entitled thereunder which shall not have been paid: Provided, however, that such final payment shall be made not later than ninety (90) days after the date of completion of construction of the Project, as specified in the Certificate of Completion, unless withheld because of the fault of the Contractor.

e. JOINT PURCHASE

1.1 In compliance with RCW 39.34.030 or other enabling laws any authorized entity may participate in the joint contracting for purchase of materials and work provided within this agreement. Any entity utilizing this provision must enter into an agreement with The District/NoaNet prior to utilizing this formal quote document and this action shall not further obligate The District/NoaNet upon the authorized entities behalf.

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS: That whereas, **Public Utility District No. 1 of Benton County**, Washington, a municipal corporation, hereinafter designated as the "District", has entered into an agreement dated September 8, 2026, with **Paramount Communications Inc.,** hereinafter designated as the "Contractor", providing for Sunheaven East Substation Fiber Build which agreement is on file at the District's office and by this reference is made a part hereof.

NOW, THEREFORE, We, the undersigned Contractor, as principal, and a corporation organized and existing under and by virtue of the laws of the State of

____

and duly authorized to do a surety business in the State of Washington, as surety, are held and firmly bound into the State of Washington and the District in the sum of

ONE HUNDRED SIXTY-SIX THOUSAND SEVEN HUNDRED FIFTY-SEVEN DOLLARS **($166,757.00),**

for the payment of which we do jointly and severally bind ourselves, our heirs, executors, administrators, successors, and assigns by these presents.

THE CONDITIONS OF THIS OBLIGATION are such that if the said principal, his heirs, representatives or successors, shall well and truly keep and observe all of the covenants, conditions, and agreements in said contract and shall faithfully perform all of the provisions of the contract, pay all taxes of the Contractor arising therefrom, and pay all laborers, mechanics, subcontractors, and material men and all persons who shall supply such person or subcontractors with provisions and supplies for carrying on such work, and shall indemnify and save harmless the District, their officers, and agents, from any and all claims, actions or damage of every kind and description including attorneys' fees and legal expense and from any pecuniary loss resulting from the breach of any of said terms, covenants, or conditions to be performed by the Contractor:

AND FURTHER, that the Contractor will correct or replace any defective work or materials discovered by the said District within a period of one year from the date of acceptance of such work or material by said District, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

No change, extension of time, alteration, or addition to the work to be performed under the agreement shall in any way affect Contractor's or surety's obligation on this bond, and surety does hereby waive notice of any change, extension of time, alterations, or additions thereunder.

This bond is furnished in pursuance of the requirements of Sections 54.04.080 et seq. of Revised Code of Washington, and, in addition to other Contractor and surety to the District for the use and benefit of said District together with all laborers, mechanics, subcontractors, material men, and all persons who supply such person or subcontractors with provisions and supplies for the carrying on of the work covered by the agreement to the extent required by said Revised Code of Washington.

IN WITNESS WHEREOF, the said Contractor and the said surety have caused this bond to be signed and sealed by their duly authorized officers this ____ day of ________________, 202__.

____
Surety

____
Title

____
Contractor

____
Title

APPENDIX A

Certification of Compliance with Wage Payment Statutes Form

Effective July 23, 2017, before award of a public works contract, the Contractor under consideration for award of a public works project must submit to the public agency a sworn statement that they have not willfully violated wage payment laws within the past three years in order to be considered a responsible Contractor. (See RCW 39.04.350 as modified by SSB 5301, Laws of 2017, ch. 258.)

==

Certification of Compliance with Wage Payment Statutes Contract # _______

The Contractor hereby certifies that, within the three-year period immediately preceding the formal quote solicitation date (***Insert Date Here***), the Contractor is not a "willful" violator, as defined in RCW 49.48.082, of any provision of chapters 49.46, 49.48, or 49.52 RCW, as determined by a final and binding citation and notice of assessment issued by the Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

____
Contractor's Business Name

____
Signature of Authorized Official*

____
Printed Name

____
Title

______________ ______________________ __________
Date City State

** If a corporation, proposal must be executed in the corporate name by the president or vice-president (or any other corporate officer accompanied by evidence of authority to sign). If a co-partnership, proposal must be executed by a partner.*

COMMISSION AGENDA ACTION FORM

Meeting Date:	September 8, 2026	
Subject:	Contract #26-21-18 Change Order #1 – PACO Ventures LLC	
Authored by:	Zach Underhill	Staff Preparing Item
Presenter:	Evan Edwards	Staff Presenting Item (if applicable or N/A)
Approved by:	Evan Edwards	Dept. Director/Manager
Approved for Commission:	Rick Dunn	General Manager

Type of Agenda Item:	**Type of Action Needed:** *(Multiple boxes can be checked, if necessary)*	
☐ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☒ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☒ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to sign Change Order #1 of Contract #26-21-18 with PACO Ventures Inc., to extend contract through November 17, 2026, and increase the not-to-exceed amount by $112,346.48, bringing the new not-to-exceed amount to $160,000.00 plus Washington State sales tax.

Background/Summary

The District solicited quotes for the rental of a tracked pressure digger to support rock hole drilling associated with the Riverfront-3 to Prosser-2 Feeder Tie project. PACO Ventures LLC was selected as the lowest responsive vendor. The rental was initially intended to address the anticipated number of rock pole holes on this project, while allowing District crews to improve efficiency and gain experience performing rock hole drilling using pressure digging equipment.

Based on the District's use of the tracked pressure digger during the current rental period, the equipment has proven highly effective for rock hole drilling and has demonstrated potential value for other current and upcoming District projects.

In March 2025, the District solicited contractor bids for rock pole hole drilling, with the lowest responsive bid of $3,636.36 per hole for average depths of 6.5 to 8.5 feet deep. Based on the rental cost for drilling 30 rock holes on the Riverfront-3 to Prosser-2 Feeder Tie project, the District estimates its cost using the tracked pressure digger at approximately $2,000 per hole which is inclusive of associated costs, representing a savings of more than $1,600 per typical rock pole hole compared with contractor pricing.

The District anticipates drilling approximately 50 rock holes, in addition to the 30 planned for Prosser, on upcoming projects with an expected production rate of 30+ holes per month. Extending the equipment rental period by one month, with the option of an additional one-month extension, and increasing the contract's not-to-exceed (NTE) amount will provide the flexibility needed to complete this work with District labor. This approach is expected to save approximately $80,000 compared to using a contractor for rock hole drilling. The estimated savings include allowances for periods when the equipment may not be in use, consumables, and for costs associated with moving the equipment between project sites.

Extending the rental for one month with the option for an additional month will support efficient rock hole drilling on current and upcoming District projects while reducing costs compared with contracted rock drilling services.

Recommendation

Staff recommends approval of the contract change order with PACO Ventures LLC to extend the tracked pressure digger rental for one month with the option for an additional month. The extension will allow the District to continue completing rock hole drilling work at an estimated cost below comparable contractor pricing, while increasing crew proficiency with the machine and while supporting current and upcoming District projects.

Fiscal Impact

Increasing the contract not-to-exceed (NTE) from $47,653.52 to $160,000. The increased contract NTE will be proportionately shared among the following work orders:

753373 Riverfront-3 to Prosser-2 Feeder Tie
688230 Prior 2 Transmission Switches
763137 H2F1 & BC190 Transmission Switches
763140 Sandpiper Transmission Switch
763141 Whitcomb Transmission Switch
718357 American Rock Feeder Extension
728361 Whitcomb to Sandpiper 115kV Re-Route

The listed work orders have been estimated with rock holes and are awaiting approval or are approved with rock holes included in the estimates. This original effort along with the other projects listed are included in the 2026 budget, and proposed 2027 budget.

CONTRACT CHANGE ORDER

Contract #: 26-21-18
Change Order #: 1
Vendor Name: PACO Ventures Inc.
E-Mail: jjohnson@pacoequip.com
Effective Date: 9/8/26
Contract Work Manager: Zach Underhill
Contract Title: Tracked Pressure Digger Rental

Change Order Description:

Extend the term of the pressure digger rental and the drilling attachments to October 17, 2026 with the option to extend one additional month to November 17, 2026 and increase the not-to-exceed amount by $112,346.48, bringing the new not-to-exceed amount to $160,000.000 plus Washington State sales tax. Change order also incorporates that PACO Ventures Inc. has agreed to allow the District mobilization within Benton County via certified carrier.

Change order Total: $112,346.48
Original Contract Total: $47,653.52
New Contract Total: $160,000.00

EXCEPT AS PROVIDED HEREIN, ALL TERMS AND CONDITIONS OF THE CONTRACT REMAIN UNCHANGED AND IN FULL FORCE AND AFFECT
The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56.

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY	PACO VENTURES INC.
BY:	BY:
PRINT:	PRINT:
TITLE:	TITLE:
DATE:	DATE:

COMMISSION AGENDA ACTION FORM

Meeting Date:	September 8, 2026	
Subject:	Contract Award – Bid #26-21-06 – Sunset to Dallas Transmission Line Construction Project	
Authored by:	Rosa Mitchell	Staff Preparing Item
Presenter:	Evan Edwards	Staff Presenting Item (if applicable or N/A)
Approved by:	Evan Edwards	Dept. Director/Manager
Approved for Commission:	Rick Dunn	General Manager

Type of Agenda Item:	**Type of Action Needed:** *(Multiple boxes can be checked, if necessary)*	
☐ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☒ Business Agenda	☐ Pass Resolution	☐ Info Only
☐ Public Hearing	☒ Contract / Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to sign Contract #26-21-06 for Sunset to Dallas Transmission Line Construction Project to Magnum Power LLC of Toledo, WA for a not to exceed amount of $1,464,865.71 plus Washington State sales tax in accordance with RCW 54.04.080.

Background/Summary

On June 24, 2025, the Commission re-approved work order #503229 – Sunset Rd to Dallas Substation Transmission Line with an estimated cost of $4,839,188.45. Work has since progressed through design and procurement.

The construction time frame has moved up a few months to ensure completion in time to supply an alternate transmission source to Reata and Leslie substations during an upcoming BPA transmission outage. The construction window is now September 2026 through July 2027. Construction unit price bids were opened Tuesday, August 11, 2026, at 3pm for the construction of the Sunset to Dallas Transmission Line. The District Received Bids as follows:

Bidder	Construction Timeline	Total	Engineer's Estimate
Palouse Power	3/8/27 - 6/11/27	$ 2,093,410.27	$3,500,00.00
DJ's Electrical	10/7/26 - 4/15/27	$ 1,597,880.59	
Magnum Power*	**11/1/26 - 3/31/27**	**$ 1,395,110.20**	
International Line Builders	1/2/27 - 7/1/27	$ 3,135,037.76	
Michels Pacific Energy	9/22/26 - 12/15/26	$ 2,471,850.45	
Riverline Power	11/2/26 - 3/4/27	$ 2,268,322.85	
Black & McDonald	10/26 - 3/27	$ 3,065,185.14	

Henkels & McCoy West	9/22/26 - 7/1/27	$ 2,526,269.37	
Wilson Construction	Not provided	$ 5,559,337.14	
Stugeon Electric Inc	9/29/26 - 1/15/27	$ 2,095,334.72	

*Magnum Power provided an administrative clarification of their pricing resulting in a mismatch between their submitted Bid Schedule and Bid Units documents.

The construction units document for this Bid included some additional units that are not anticipated to be utilized on the project based on known site conditions. These units were included as a precaution to minimize impacts to the project timeline should their use become necessary. These additional units were included in both the Engineer's Estimate and the comparison analysis for the bid award recommendation.

Engineering Staff's intention is to award this Contract as a not to exceed total of Bid price + 5% ($1,464,865.71) plus applicable taxes. This additional 5% allows for minor adjustments to the installed units to align with unknown as found field conditions or if the need arises for the District to incorporate small scope changes to accommodate construction needs.

Recommendation

Awarding this construction contract to Magnum Power will allow the District to remain on schedule to provide redundant service to existing and future substations In preparation for upcoming Bonneville Power Administration's Transmission construction phase related to the South Benton County Reinforcement Project. This project is consistent with the District's strategic objective to build a "21 st Century Grid" that meets continually increasing customer expectations for electric reliability.

Fiscal Impact

Work order 503229, for the design and construction of the Sunset Rd to Dallas Substation Transmission Line is included in 2026 and proposed 2027 budgets based on the District's construction schedule.

CONTRACT

26-21-06

Sunset to Dallas Transmission Line Construction Project

On this 8th day of September 2026, **PUBLIC UTILITY DISTRICT NO.1 of BENTON COUNTY** (the *District*) and **MAGNUM POWER LLC** (the *Contractor*) agreement to be bound by the following terms and conditions:

1. The *Contractor* agrees to perform the work and furnish labor, equipment, and certain materials in accordance with the plans and specifications.

2. The *Contractor*, in the performance of the work herein specified, shall be considered an independent contractor solely responsible for the performance of said work and any damage resulting therefrom.

3. The *Contractor* shall comply with Revised Code of Washington Section 39.12, providing for payment of prevailing wages. No workman, laborer, or mechanic employed in the performance of any part of this contract shall be paid less than the 'prevailing rate of wage' as determined by the industrial statistician of the Department of Labor and Industries. The schedule of the prevailing wage rates for the locality or localities where this contract will be performed is by reference made a part of this contract as though fully set forth herein.

   It will be the responsibility of the *Contractor* to pay all filing fees necessary to comply with RCW 39.12.
   It will be the responsibility of the Contractor to post intent forms on the job site for worker inspection for all projects over $10,000.00 to comply with RCW 39.12.020.

4. *Contractor* shall protect, hold free and harmless, defend and pay on behalf of Public Utility District No. 1 of Benton County (including its managers, commissioners and employees) all liability, penalties, costs, losses, damage, expense, causes of action,

claims, or judgments, (including attorney's fees) resulting from injury or death, sustained by any person (including contractor's employees) or damage to property of any kind which injury, death, or damage arises out of or is in any way connected with *contractor*'s performance of this contract. *Contractor*'s hold harmless agreement shall apply to any act or omission, willful misconduct, or negligence whether passive or active, on the part of *contractor* (its agents or employees); except, that this agreement shall not be applicable to injury, death, or damage to property or persons arising from the negligence or the willful misconduct of Public Utility District No. 1 of Benton County, its managers, commissioners, and employees.

In any and all claims against the *District* by any employee of *Contractor*, the indemnification and hold-harmless obligation herein shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the Contractor under worker's compensation acts, disability benefit acts, or other employee benefit acts, AND *CONTRACTOR* SPECIFICALLY AND EXPRESSLY WAIVES ANY IMMUNITY UNDER SUCH ACTS. *CONTRACTOR* ACKNOWLEDGES THAT THIS WAIVER HAS BEEN MUTUALLY NEGOTIATED BY THE PARTIES.

5. The *Contractor* hereby accepts exclusive liability for payment of any and all taxes (federal and/or state) required to be paid by the *Contractor*, the employees of such *Contractor*, or by any subcontractors or the officers or employees of such subcontractors, to any governmental agency, commission or authority having jurisdiction in the premises, under the provisions of any unemployment insurance, social security and/or pension plans established by law insofar as said taxes pertain to work performed under this contract. It is expressly understood and agreed that the *Contractor* will save and hold harmless the *District* from any and all liability whatsoever for the deduction, collection, and/or payment of any such sums or the performance of any of the requirements aforesaid.

6. The *Contractor* agrees to meet all requirements that may be specified under regulations of any governmental agency, commissioner or authority having jurisdiction in the premises insofar as said requirements relate to work performed under this contract. It is expressly understood and agreed that the *Contractor* will save and hold harmless the *District* from any and all liability whatsoever for the deduction, collection, and/or payment of any such sums or the performance of any of the requirements aforesaid.

7. The *Contractor* agrees to comply with provisions set forth in Executive Order 11246, as amended, Section 503 of the Rehabilitation Act of 1973, as amended, 38 U.S.C. § 4212 of the Vietnam Veterans' Readjustment Assistance Act of 1974, as amended and all provisions of 29 CFR Part 471, Appendix A to Subpart A (Executive Order 13496).

8. The *Contractor* will be required to furnish a Performance Bond in the form attached hereto with a surety authorized to do business in the State of Washington, in a penal sum not less than the contract price for all projects over $35,000.00.

9. The *Contractor* agrees to warrant all work, for a period of one year, against defects in such work as desired in the plans and specifications, or other contract documents. Such warranty from the date of acceptance of the work by the *District*.

10. The *Contractor* will not sublet any of the work to be performed by him under the terms of this agreement and will not assign this contract or any rights hereunder, without first obtaining the written approval of the *District*.

11. It is agreed that neither the *District* nor the *Contractor* shall be held liable for work stoppage caused by strikes, injunction suits, acts of God or the public enemy, or causes beyond the control of the parties.

12. Payment to the *Contractor* for work performed shall be as follows:

a. For a contract with a completion schedule of forty-five (45) calendar days or less the payment shall be after the work is completed and has been finally accepted by the District.
b. For a contract with a completion schedule greater than forty-five (45) calendar days, the District will make progress payments for work performed. The District shall make payment to the Contractor for construction accomplished during the preceding calendar month on the basis of completed construction certified by the Contractor and approved by the District's representative solely for the purpose of payment.

No payment shall be made until the *Contractor*'s and Subcontractor's "Statement of Intent to Pay Prevailing Wages" has been certified by the Department of Labor and Industries and a copy so certified has been furnished to the *District* by the *Contractor* and all Subcontractors. On contracts $35,000.00 and greater, five percent (5%) of the amount of each payment shall be withheld until final acceptance of the completed contract by the *District* and the expiration of the thirty-day (30-day) period for filing of liens as provided by law and until: (1) the *Contractor*'s and Subcontractor's "Affidavit of Wages Paid" has been certified by the Department of Labor and Industries and a copy so certified has been furnished the *District* by the *Contractor* and all subcontractors, (2) a certificate is received from the Audit section of the State Department of Revenue (contracts over $35,000.00) authorizing the payment of the retained fund, and (3) a certificate of release from the Dept. of Labor & Industries has been furnished to the *District*. A Notice of Completion of Public Works Contract will be filed with the State Department of Revenue by the *District* upon acceptance of the Contract by the *District*. It will be the responsibility of the *Contractor* to notify the Dept. of Labor & Industries of contract completion.

13. If the *District* is dissatisfied with the quality of work being performed relative to workmanship and/or compliance with the plans and specifications, the *District* will inform the *Contractor* in writing of the dissatisfaction, and if the *Contractor* has failed to comply with the *District*'s requests within two (2) days, then the *District* may terminate this agreement by providing five (5) days written notice to the *Contractor*. This contract may be canceled by either party upon receipt of thirty (30) days written notice from the other party. All work shall be done in a workmanlike manner. All work, material, and locations of equipment are subject to *District* approval.

14. The *Contractor* shall have, and maintain throughout the Contract period, insurance, and benefits in the following minimum requirements:

a. Workers' compensation insurance, Social Security, Federal Income Tax deductions, and any other taxes or payroll deductions required by law for, or on behalf, of its employees.

b. Employer's liability, commercial general liability (bodily injury and property damage) and comprehensive automobile liability (bodily injury and property damage) insurance, with each policy having maximum limits of not less than $1,000,000.

c. Contractor shall provide an endorsement on the Commercial General Liability and Property Damage policy naming the District as additional insured and add a separation of insured clause or a cross-liability endorsement.

The District shall have the right at any time to require commercial general liability, automobile liability, and property damage insurance greater than those required in subsection (b) of this section.

Contractor shall deliver to the Procurement Department of the District, no later than ten (10) days after award of the Agreement, but in any event prior to execution of the Agreement by the District and prior to commencing work, Certificates of Insurance, identified on their face as the Agreement Number to which applicable, as evidence that policies providing such coverage and limits of insurance are in full force and effect, which Certificates shall provide that not less than thirty (30) days advance notice will be given in writing to the District prior to cancellation, termination or alteration of said policies of insurance. Such advance notice of cancellation, termination, or alteration of said policies shall be delivered to the Procurement Department of the District.

15. The *Contractor* shall at all times take all reasonable precautions for the safety of employees on the work and of the public and shall comply with all applicable provisions of federal, state, and municipal safety laws and building and construction codes.

16. The following documents are, by this reference, incorporated into and made a part of this Small Works Agreement.

Appendix A - Statement of Work

Appendix B - Schedule of Payments

Appendix C - Special Conditions (if applicable)

Exhibit – 1 – Performance Bond

Exhibit – 2 - Certification of Compliance with Wage Payment Statutes Form

The District is a public entity subject to the disclosure requirements of the Washington Public Records Act of RCW 42.56. The Vendor expressly acknowledges and agrees that its proposal and any information Vendor submits with its proposal or which Vendor submits to the District in its performance of any contract with the District is subject to public disclosure pursuant to the Public Records Act or other applicable law and the District may disclose Vendor's proposal and/or accompanying information at its sole discretion in accordance with its obligations under applicable law.

The District must comply with the Preservation and Destruction of Public Records RCW

40.14. The Vendor expressly acknowledges and agrees that it will maintain all records and documentation related to the contract in accordance with its obligations under applicable law.

In the event that the District receives a request pursuant to the Washington Public Records Act, or other legal process requesting or mandating disclosure of any information or documents submitted to the District by Vendor, the District's sole obligation shall be to notify the Vendor promptly, so that the Vendor at Vendor's expense and cost, may seek court protection of any of the requested information Vendor deems confidential.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement.

PUBLIC UTILITY DISTRICT NO. 1
OF BENTON COUNTY

BY:______________________________________

PRINT:___________________________________

TITLE:___________________________________

DATE:____________________________________

MAGNUM POWER LLC

BY:___________________________________

PRINT:_________________________________

TITLE:_________________________________

DATE:_________________________________

WA ST CONTRACTOR'S REGISTRATION NO:
____

TAX IDENTIFICATION NO:
____

Appendix A
Statement of Work

Scope of Work

A. This project includes the construction of approximately 5.0 miles of new 115-kV transmission line to provide service from an existing transmission line to a new third-party substation, Dallas Substation. The transmission line will use 795 ACSR “Drake” conductor on a combination of ductile iron and self-supporting steel pole construction and will be located within county road right-of-way. All permits will be secured by the District prior to the start of construction.

   The project also includes the transfer of an existing three-phase 336 ACSR “linnet”, 12.47-kV overhead distribution circuit along 1.1 miles of the new transmission line into an underbuilt configuration. These sections of line include the transfer of lateral circuit taps and an underground cable riser. Transmission line span lengths have been selected to accommodate distribution circuit span limitations. Also included is the construction of new three-phase 336 ACSR “linnet”, 12.47-kV overhead distribution underbuilt on 2.3 miles of the new transmission line. The transfer of an existing 0.75-miles of ADSS fiber line to the new transmission line is also included.

B. The project area’s western extent begins at the District’s intersection of Red Mountain-Sunset Tap and the Sunset Tap (Kennedy) in Benton County, WA. It progresses east and southeast adjacent to Jacobs Rd approximately 5 miles (1.1 miles over existing distribution), then turns west to terminate at the new third-party owned Dallas Substation.

C. The project as described above is more specifically described as follows. Segments have been split out based on segment requirements (construction style, coordination requirements, billing submittal requirements, timing limitations, etc.):

   1. **Segment 1, Sunset Tap (Kennedy) to structure 1:** Install (1) self-supporting steel pole (including caisson), (1) 115-kV switch, and 458-feet of 795 ACSR conductor transmission. Complete installation by March 31, 2027, to coincide tie in with existing transmission at Sunset Tap (Kennedy) with planned substation outage.

   2. **Segment 2, Structures 2 to 39:** Install (1) self-supporting steel poles (including caisson), (37) Ductile Iron poles, and 2.2 miles of 795 ACSR conductor transmission with underbuilt, new 3-phase, overhead 336 ACSR conductor distribution.

   3. **Segment 3, Structures 40 to 45:** Construct 0.3-miles of 795 ACSR conductor transmission with underbuilt, new 3-phase, overhead 336 ACSR conductor distribution, including (6) Ductile Iron poles, and an underground riser. Demo

existing distribution as indicated on the Staking Sheet. Electric Service to customers shall be maintained throughout the project.

4. **Segment 4, Structures 46 and 47:** Construct 270-feet of 795 ACSR conductor transmission with underbuilt, new 3-phase, overhead 336 ACSR conductor distribution, including (1) Ductile Iron pole and (1) self-supporting steel pole (including caisson). Transfer existing ADSS at Str# 47 only. Demo existing distribution as indicated on Staking Sheet. Electric Service to customers shall be maintained throughout the project.

5. **Segment 5, Structures 48 to 59:** Construct approximately 0.6-miles of 795 ACSR conductor transmission. Transfer existing 3-phase, overhead 336 ACSR conductor distribution to underbuilt on new transmission line. Section includes (11) Ductile Iron poles, (1) self-supporting steel pole (including caisson) and (1) wood pole. Transfer existing ADSS as indicated on the Staking Sheet. Demo existing distribution as indicated on Staking Sheet. Electric Service to customers shall be maintained throughout the project. Construction of this section is to be completed by March 31, 2027, to minimize disruptions of agricultural activities.

6. **Segment 6, Structures 60 to 78:** Construct approximately 1.1-miles of 795 ACSR conductor transmission with 0.5-miles of 6-M Alumoweld static wire. Section includes (16) Ductile Iron poles and (3) self-supporting steel poles (including caisson). Construction of this section is to be completed by March 31, 2027, to minimize disruptions of agricultural activities.

Additional clarification for dates and structural design:

7. **Segment 7, Structure 79:** Segment includes (1) self-supporting steel pole (including caisson). Construction of this pole is to be completed by January 1, 2027, to coordinate with the City of Richlands Dallas Substation construction schedule.
8. **Segment 8, Structures 78 to 79:** Construct approximately 400 ft of 795 ACSR conductor transmission and 6-M Alumoweld static wire.
9. **Segment 9, Structures 79 to Dallas Substation:** Construct approximately 100 ft of 795 ACSR conductor transmission and 6-M Alumoweld static wire, landing conductor and static wire on the City of Richlands newly constructed substation deadend structure. Section includes (0) poles. Construction of this section is tentatively scheduled for June 1, 2027, to coordinate with the City of Richlands Dallas Substation construction schedule. May be removed from scope of work depending on schedules.

10. **Segment 10, Dallas Shoofly:** to be constructed if Dallas Substation construction is delayed beyond August 2027, District to make determination.

__Special Instructions__

The District will provide all traffic control and submit the traffic control plan to the DOT.

The District's designee will be on-site periodically during construction. The Contractor is responsible for coordinating the construction schedule and communicating with the designee to ensure availability for witnessing and approving key milestone activities.

The Contractor shall be responsible for maintaining a safety program in accordance with the laws of Washington State.

A. The project start, completion, and stage limiting dates have been established based on a schedule generally balancing watering operations for the farms, switching limitations in the area, and the completion date. The end and beginning of farming watering operations is weather dependent but is considered to be between November 1st and March 31st on an average year. This period also generally corresponds to the end of harvest and the beginning of planting seasons which may involve the movement of farm machinery along, across, or near the new transmission line right-of-way. The intention is for sections of the work to be completed within the prescribed time windows in order to avoid impacts to the underlying farming operations and for the District to be able to facilitate requested alternate switching configurations where practicable.

   Refer to the General Instructions to Contractor for further information regarding the time sensitive portions of this project.

B. The Contractor's primary point of contact will be the District's designated Contract Work Manager (CWM). The Inspector for the project will be a designated individual from the District's Operations Department.

C. It is the District's intent to award this contract as a single project assuming Contractor resources are available to finish construction prior to the project deadlines described below. Construction progress will be tracked by construction units as shown in order to facilitate project management efforts and to provide a basis for tracking costs in support of the District's project funding plans.

D. The District reserves the right to remove certain construction units or segments from the contract award or the Contractor's Scope of Work.

E. The Bid schedule includes estimates of the number and kind of construction units anticipated for the project. These estimates are based on the best available information known to the District at the time of bid package development. Some changes to the quantity and types of units are expected but should not be significant.

Additional Instructions:

A. Contractor shall provide red-line "as-built" markups of the work performed.

B. The District has one temporary material laydown yards for this project, located at 46.197998, -119.366779, off S Badger Canyon Rd in Kennewick. This lot houses the ductile iron poles, steel poles, and other material for this project.

C. Contractor may provide and locate a portable office and portable toilet at the Reata Rd material laydown yard site. Such facilities shall be placed as to not inhibit the storage of the steel poles, other material, or to impede on the District's access to the adjacent substation. Contractor shall be responsible for the securement of any such facilities. Contractor shall coordinate final location of any portable facilities with the CWM.

   1. Note: District power is not available at either material laydown yard site.

D. The Contractor is required to obtain underground utility locates in accordance with Washington State Law and for coordinating work with underlying property owners.

E. The District will provide all required staking for pole line structures. The Contractor shall provide construction schedule and written notice for staking needs to the District's CWM a minimum of two weeks prior to working a section. Requests shall reference which segment of the project it is for (as described above and shown on the routing plan), between which structures staking is being requested (from structure "X" to structure "Y"), and shall indicate any requested offsets. The intention is for field stakes and offsets to be placed within a reasonable time frame of construction to minimize stakes becoming dislodged.

F. Reasonable care shall be taken to minimize damage to property. The Contractor shall restore the disturbed ground to its pre-construction condition with the exception that re-seeding/re-planting of the pre-construction natural vegetation is not required. Rocks exposed during construction that are larger than 2" in diameter shall not remain on the surface nor shall they be permitted within 12" of the surface when backfilling trenches. Rocks larger than 2" in diameter that are exposed by the Contractor during trenching shall not be used in backfilling trenches and shall be removed from the project.

G. This project involves variable terrain. In most instances digging is expected to be relatively easy and rock free however there may be areas where subsurface rock may be encountered. If rock is encountered, there is a unit in the bid schedule to list the cost associated with the required rock-hole excavation for poles and anchors.

1. In the event rock-hole excavation is required mechanical means shall be utilized to clear the obstruction. Blasting shall not be allowed on this project unless authorized in writing by the CWM.

2. Pole holes that are 50% rock or more (as approved by the Inspector) shall be billed as rock holes. Pole holes that are less than 50% rock shall be billed as dirt holes plus one of the proportional rock adder units. Billing submittals shall clearly indicate any pole holes where rock holes or the proportional rock adder units were utilized.

H. The Contractor shall provide dust control throughout the project in compliance with Benton Clean Air Agency requirements.

I. All backfill material shall be approved by the Inspector. CDF, Engineered fill, and concrete slurry backfill shall be provided by the Contractor and installed were required per the plans and specifications. Proposed alternatives to CDF, Engineered fill, or concrete slurry backfill may only be utilized upon receiving written approval from the District's CWM.

J. The District's Inspector will be on-site periodically during construction. The Contractor is responsible for coordinating the construction schedule and communicating with the Inspector to ensure his availability for witnessing and approving key milestone activities such as guying and anchoring, sagging, tensioning, and rock-hole excavation.

1. The District utilizes a 4-10's schedule, Monday-Thursday, 6:30am – 5:00 pm. If District personnel are required beyond these hours the Contractor shall be responsible for reimbursing the District for any overtime costs incurred.

K. All trucks and equipment that will be driven off the main roads shall have diesel engines.

L. In the event modifications to drawings and/or staking sheets included with this bid package occur at a later date the updated versions will be made available prior to construction.

M. Construction will be limited to daylight hours. This is generally between 7:00 am and 4:00 pm during late fall/winter and 7:00 am and 7:00 pm during summer.

1. Contractor may be on site prior to 7:00 am for tasks such as work planning or

allowing vehicles/equipment to warm up.

N. A qualified high voltage electrical contractor is required for all electrical work (installation of poles, pole anchors, overhead conductors, grounding, conduit, junction boxes, handholes, vaults, equipment placement, and associated hardware, etc.) as indicated on the drawings and specifications. A qualified high voltage electrical contractor is not required to perform the remaining scope (footings, foundations, grading, surfacing, etc.) and can be completed by a general/civil contractor.

O. The locations of any known existing infrastructure to be abandoned, extended, or re-used are approximate and based on the best available information.

P. Contractor shall clean all insulators after Contractor activities are complete and prior to handover to the District.

Q. The District shall provide traffic control per the requirements of the authority having jurisdiction (Benton County, Washington State Department of Transportation, etc.) for the area of work.

Safety

A. The Contractor shall be responsible for maintaining a safety program in accordance with the laws of Washington State.

- The District's CWM will provide an Information Transfer Form at the start of the project per Washington State requirements.
- The District's Inspector will provide a Safety Tailboard at the start of the project and as required where work conditions substantially change.
- The Contractor shall ensure that all crane/lifting or other overhead operations comply with all Washington state requirements.

B. Whenever the Contractor has personnel on site, the Contractor shall have either the crew foreman or superintendent attend a "Scheduling and Safety meeting" at the District's Operations Building.

- These meetings shall generally be bi-weekly but may occur more or less frequently based on need.

C. The Contractor shall apply and maintain electrical safety grounding and clearances in accordance with local, state, and federal laws. The Contractor shall keep a record of the type and quantity of grounds as they are installed and removed to ensure all grounds have been removed once the work has been approved for energization. Said record shall reference the nearest District structure as the location.

D. Except for the line section between the Sunset Tap (Kennedy) and structure 1, the Sunset to Dallas transmission line to be constructed shall remain de-energized for the duration of the project. The existing Sunset Tap (Kennedy) is energized and will require coordination for de-energization windows to allow for tie in of the new line. The 115-kV switch installed at structure 1 will provide the open to de-energize the remainder of the new transmission line.

E. While scheduled outages may be possible for portions of the existing distribution lines during the transfer/overbuild process, the expectation is that all overhead line work will be performed with existing circuit(s) remaining energized whenever practicable to minimize interruptions to the District's customers.

Site Securement

A. Contractor shall be responsible for securing the work site(s) and all materials/equipment stored on site or in the laydown yard.

- The District will provide a Conex box and temporary fencing to secure any small materials (wire, crossarms, hardware, insulators, etc.) that are stored at the Reata Rd laydown yard.

B. The District is not responsible for the security of Contractor or Contractor employees' vehicles, equipment, or property.

C. Upon District request, the Contractor shall allow a "horseshoe" to be installed on construction fencing chain/gates to allow District personnel access while the Contractor is not on site.

Access Development

A. Generally, the project is located adjacent to county roads in areas that will not require the Contractor to construct access pathways to facilitate work. Some areas may require temporary landings to allow for construction equipment.

B. In the event they are needed all such access paths/landings shall be coordinated with the Inspector.

C. Temporary access pathways and landings shall be located within the county road right-of-way.

D. Any temporary access pathways and landings shall be reasonably restored to preconstruction condition after construction is complete.

Materials

A. The District shall provide all materials on the project drawing Material List. The Contractor shall provide all other materials required to complete the project.

B. The Contractor shall inspect District Furnished equipment/materials for any damage and shall inform the District of any shortages, discrepancies, defects, or damage found in writing prior to moving or receiving it. Once the Contractor has received District Furnished equipment/materials into its custody they shall thereafter be solely responsible for any damage or shortage until final acceptance of the work.

C. The Contractor shall replace any District Furnished equipment/material which are lost or damaged while in the custody of the Contractor. Replacement equipment/material shall be of a type and quality equal to the original, shall be approved by the CWM, and shall be obtained expeditiously to prevent delay of the work. Extensions of time will not be granted for delays caused by failure to receive replacement equipment and materials at the time required for their installation.

D. For any District supplied material not turned over to the Contractor at the onset of the project the Contractor shall notify the District's Contract Work Manager via email and copy Procurement at cp@bentonpud.org of quantities required in writing minimum (3) business days prior to needing material on site to allow coordination with the Warehouse. The Contractor shall be responsible for picking up said additional District provided materials at the District's warehouse (1500 S. Ely St. Kennewick, WA 99337) between the hours of 7:30 am – 12:00 pm and 12:30pm – 4:00 pm PST Monday through Thursday, excluding District holidays. This District is closed on Fridays. The District's warehouse personnel will load all District Provided materials.

   The District recognizes the following holidays:

   - New Year's Day
   - President's Day
   - Memorial Day
   - Independence Day
   - Labor Day
   - Veterans Day
   - Thanksgiving Day
   - Day after Thanksgiving Day

- Christmas Day

In the event a recognized holiday falls on a non-working day, the District observes it on the nearest working day.

E. At the completion of construction, issued material overages are to be returned to the District's warehouse.

F. New poles are a mixture ductile iron, self-supporting steel and one wood poles.

  1. Ductile Iron transmission poles are pre-drilled for ladder clips, 115kV insulators, static wire attachments, and grounding. Remaining transmission components and all distribution components require field drilling.

  2. Self-supporting steel poles incorporate attachment points into their design.

  3. The wood pole has distribution and fiber only and requires field drilling.

G. Unless noted otherwise Contractor shall dispose of all removed equipment (poles, crossarms, hardware, conduit, etc.).

  1. Contractor shall trim off treated portions of any removed poles. Both treated portion and untreated portion shall be returned to the District's warehouse in Kennewick, Washington.

  2. Contractor shall not salvage or re-use any removed components unless otherwise agreed upon by the District and confirmed with a change order to the contract crediting the salvaged material.

Project Location

The project location and routing is shown on the enclosed site location drawing(s).

Existing Monuments

All known existing monuments or markers relating to subdivisions, plats, roads, street centerline intersections, etc. are referenced on the plans. The Contractor shall take special care to preserve these monuments. If any monuments, markers, or reference points are damaged or destroyed by the Contractor, they shall have them reset by a licensed land surveyor. If monuments are in the path of construction, they shall be reset at Contractor's expense and under direction of the CWM. All costs incurred hereunder shall be considered incidental to the Work Order.

Modifications to this scope of work shall be reflective of the information provided in Addendum 1 that was issued July 6th, 2026. Major modifications have been incorporated above.

Appendix B
Schedule of Payments

Contractor will be paid within a period of thirty (30) days after receipt of invoice.

Description	Price (subtotals from unit price spreadsheet)	Start and Completion Timeline
Fiber Work	$24,912.00	11/01/2026 – 03/31/2027
Transmission Work	$1,125,707.10	11/01/2026 – 03/31/2027
Distribution Work	$244,491.10	Notice to Proceed through 03/31/2027
		TOTAL PRICE $1,395,110.20

The maximum amount payable by the *District* to *Contractor* under this Agreement shall not exceed $1,464,865.51 that includes 5% for minor adjustments, plus Washington State sales Tax.

Any change order made to this agreement will utilize the unit prices established in the bid documentation and shall be done in a written change order agreed to by both parties.

Appendix C
Special Conditions

Changes to General Terms and Conditions: NONE.

Exhibit 1

P E R F O R M A N C E B O N D

KNOW ALL MEN BY THESE PRESENTS: That whereas, **Public Utility District No. 1 of Benton County**, Washington, a municipal corporation, hereinafter designated as the "District", has entered into an agreement dated September 8th, 2026, with **Magnum Power LLC** hereinafter designated as the "Contractor", providing **Contact # 26-21-06 – Sunset to Dallas Transmission Line Construction Project** which agreement is on file at the District's office and by this reference is made a part hereof.

NOW, THEREFORE, We, the undersigned Contractor, as principal, and a corporation organized and existing under and by virtue of the laws of the State of ______________________ and duly authorized to do a surety business in the State of Washington, as surety, are held and firmly bound into the State of Washington and the District in the sum of One Million, Four Hundred Sixty-Four Thousand, Eight Hundred Sixty-Five Dollars and Seventy-One Cents ($1,464,865.71) for the payment of which we do jointly and severally bind ourselves, our heirs, executors, administrators, successors, and assigns by these presents.

THE CONDITIONS OF THIS OBLIGATION are such that if the said principal, his heirs, representatives or successors, shall well and truly keep and observe all of the covenants, conditions, and agreements in said contract and shall faithfully perform all of the provisions of the contract, pay all taxes of the Contractor arising therefrom, and pay all laborers, mechanics, subcontractors, and material men and all persons who shall supply such person or subcontractors with provisions and supplies for carrying on such work, and shall indemnify and save harmless the District, their officers, and agents, from any and all claims, actions or damage of every kind and description including attorneys' fees and legal expense and from any pecuniary loss resulting from the breach of any of said terms, covenants, or conditions to be performed by the Contractor:

AND FURTHER, that the Contractor will correct or replace any defective work or materials discovered by the said District within a period of one year from the date of acceptance of such work or material by said District, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

No change, extension of time, alteration or addition to the work to be performed under the agreement shall in any way affect Contractor's or surety's obligation on this bond, and surety does hereby waive notice of any change, extension of time, alterations or additions thereunder.

This bond is furnished in pursuance of the requirements of Sections 54.04.080 et seq. of Revised Code of Washington, and, in addition to other Contractor and surety to the District for the use and benefit of said District together with all laborers, mechanics, subcontractors, material men, and all persons who supply such person or subcontractors with provisions and supplies for the carrying on of the work covered by the agreement to the extent required by said Revised Code of Washington.

IN WITNESS WHEREOF, the said Contractor and the said surety have caused this bond to be signed and sealed by their duly authorized officers this ____ day of _______________, 202__.

Surety

Title

Contractor

Title

Exhibit 2

Certification of Compliance with Wage Payment Statutes Form

Effective July 23, 2017, before award of a public works contract, the Contractor under consideration for award of a public works project must submit to the public agency a sworn statement that they have not willfully violated wage payment laws within the past three years in order to be considered a responsible contractor. (See RCW 39.04.350 as modified by SSB 5301, Laws of 2017, ch. 258.)

==

Certification of Compliance with Wage Payment Statutes
Contract # 26-21-06

The Contractor hereby certifies that, within the three-year period immediately preceding the Commission date (09/08/2026), the Contractor is not a "willful" violator, as defined in RCW 49.48.082, of any provision of chapters 49.46, 49.48, or 49.52 RCW, as determined by a final and binding citation and notice of assessment issued by the Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction.

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

____
Contractor's Business Name

____
Signature of Authorized Official*

____
Printed Name

____
Title

_______________ _______________________ ___________
Date City State

** If a corporation, proposal must be executed in the corporate name by the president or vice-president (or any other corporate officer accompanied by evidence of authority to sign). If a co-partnership, proposal must be executed by a partner.*

COMMISSION AGENDA ACTION FORM

Meeting Date:	September 8, 2026	
Subject:	Resolution No. 2736, Amending Nonstandard Discretionary Compensation and Benefits	
Authored by:	Karen Dunlap	Staff Preparing Item
Presenter:	Karen Dunlap	Staff Presenting Item
Approved by:	Karen Dunlap	Dept. Director/Manager
Approved for Commission:	Rick Dunn	General Manager/Asst GM

Type of Agenda Item:	**Type of Action Needed:** *(Multiple boxes can be checked, if necessary)*	
☐ Consent Agenda	☒ Pass Motion	☐ Decision / Direction
☒ Business Agenda	☒ Pass Resolution	☐ Info Only
☐ Public Hearing	☐ Contract/Change Order	☐ Info Only/Possible Action
☐ Other Business	☒ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

Motion to adopt Resolution No. 2736, Amending Nonstandard Discretionary Compensation and Benefits.

Background/Summary

On March 26, 2024, the Commission adopted Resolution No. 2664, amending the Nonstandard Discretionary Compensation and Benefits authorizing payments of nonstandard compensation and benefits for an employee or employees as described by said resolution. The Nonstandard Discretionary Compensation and Benefits Resolution is periodically amended to update recruitment and retention or other non-standard compensation and benefit-related items.

Change to Section for Exempt Employee Overtime:
Recent changes in represented employee wage rates have increased salary compression with certain exempt supervisory positions. These supervisory positions report onsite during more significant after-hours outages. The District desires to maintain appropriate compensation while recognizing the additional responsibilities and time commitments associated with significant outage response. The proposed amendment allows the General Manager to modify District policy on exempt overtime and include additional situations when overtime compensation is approved for designated exempt employees who are required to report onsite for specified outage response situations.

Recommendation

Recommend the Commission adopt Resolution No. 2736, Amending Nonstandard Discretionary Compensation and Benefits effective September 8, 2026. This Resolution supersedes and replaces Resolution No. 2664.

Fiscal Impact

There will be a small impact to payroll expense when the Superintendent and Assistant Superintendent of Transmission & Distribution, Superintendent of Operations, or other exempt employees identified as critical respond to after-hours events and record overtime. This additional expense will be monitored and added to future budgets.

Resolution No. 2736

September 8, 2026

A RESOLUTION AMENDING NONSTANDARD DISCRETIONARY COMPENSATION AND BENEFITS

WHEREAS, Resolution No. 2609 established authority for the General Manager to authorize Nonstandard Discretionary Compensation and Benefits, and directed the General Manager to make an annual report to the Commission of the aggregate value of such compensation and benefits; AND

WHEREAS, the District desires to ensure competitive recruiting and retention incentives to support recruiting practices in a tight labor market; AND

WHEREAS, The District desires to expediently investigate workplace matters and provide for resolution of such matters; AND

WHEREAS, The District may request employees who are exempt from the Fair Labor Standards Act (FLSA) to perform bargaining work when bargaining personnel are not available to meet critical business needs of the District after normal business hours associated with electrical service, AND

WHEREAS, Court decisions and rulings from the U.S. Department of Labor have established that additional compensation paid to employees who are exempt from the FLSA will not destroy their exempt status; AND

WHEREAS, the Commission desires to provide fair and equitable pay and benefits for all employees of the District; AND

WHEREAS, District facility closures may be warranted when conditions arise, such as inclement weather, that may pose a safety risk to District employees and customers; AND

WHEREAS, the District is committed to a safety culture that actively involves all employees focusing on leading indicators and proactive approaches to reduce incidents and injuries; AND

WHEREAS, the District recognizes that overall employee well-being both mentally and physically leads to a healthy, focused, and productive workforce which is vital to organizational effectiveness and success; AND

WHEREAS, the District is dedicated to empowering employees to grow personally and professionally by increasing their knowledge of the electrical energy and broadband service delivery process to develop proud, confident, and credible community ambassadors; AND

WHEREAS, the District recognizes that engaging employees in community service, outreach, and education promotes the District's image as a trusted energy partner, reinforces the value of public power, and is essential to remain competitive; AND

WHEREAS, the District acknowledges that engaging, motivating, and rewarding employees for meeting high performance standards and goals provides value to our community and the customers we serve; AND

WHEREAS, The District desires to promote organizational effectiveness through incentive programs that encourage desired employee safety and wellness behaviors and outcomes; increased employee knowledge of the electrical utility industry and engagement in the community; meeting individual and District-wide high performance standards and goals; recognize employees' tenure with the District through longevity awards; and allow for employee early release in advance of specified holidays; AND

WHEREAS, Advance notice of an employee's planned retirement provides considerable value to the District around workforce planning; AND

WHEREAS, The General Manager is in the best position to determine the need for and the appropriate level of nonstandard compensation or benefits in an expedient manner in the interests of the District.

NOW, THEREFORE, BE IT RESOLVED By the Commission of Public Utility District No. 1 of Benton County that the Commission authorizes the General Manager to approve payments of one or more of following nonstandard compensation and benefits for an employee or employees in his or her discretion, as described by this resolution and within the authority granted through the adoption of the annual budget, specifically:

1. <u>Sign On Payments</u>: Sign on payments may be used for positions that are difficult to recruit and provide a cost-effective alternative to offering a higher salary while providing an incentive for a prospective employee to accept employment at the District. Sign on payments will not exceed $10,000 and will include a pro-rated payback provision if the

employee leaves within three years. Sign on payments will be defined within a written offer letter issued by the Manager of Human Resources during the course of recruiting activities.

2. Retention Payments: Retention payments may be used for positions that are difficult to recruit and retain. A retention payment provides an incentive for an employee to not seek employment outside of the District for a period of time. They provide a cost-effective alternative to offering a higher salary while providing an incentive for a prospective employee to accept employment at the District and remain at the District. Retention payments will not exceed $10,000. An employee will only be eligible to receive a retention payment after remaining employed for a period of time which will be defined within a written offer letter issued by the Manager of Human Resources during the course of recruiting activities.

3. Relocation Expense Reimbursement: Relocation expense reimbursement payments may be used for positions that are difficult to recruit and where the most qualified candidate does not reside locally. These payments provide an incentive for an employee to move and accept a position at the District. Relocation expenses may be reimbursed up to a maximum of $10,000 plus payments to make the employee whole for tax impacts. The General Manager has authority to authorize reimbursement for relocation expenses in excess of $10,000 when circumstances warrant a greater amount. Relocation expense reimbursement requires appropriate receipts and documents supporting the amount prior to reimbursement. As an alternative to relocation expense reimbursement, the District may offer a moving allowance equal to $5 per mile from the home residence to the new location, not to exceed $2,500. This alternative is offered to motivate an employee to practice consumerism by considering “self-move” resulting in savings to the District. If an employee separates employment within three years, the employee will be required to pay back a prorated amount of the relocation expense reimbursement or moving allowance. Relocation expense reimbursement and moving allowances will be defined within a written offer letter issued by the Manager of Human Resources during the course of recruiting or retention activities.

4. Exempt Employee Overtime Compensation, provided on an exception basis to salaried employees normally exempt from overtime who are asked to perform bargaining work when bargaining personnel are not available in order to meet the critical operational needs of the District or to respond to calls for mutual aid after normal business hours. Critical operational needs of the District or other utilities would normally include events where customers are not receiving electrical service. Authorization to perform such overtime work

shall be provided by memorandum of the General Manager or authorized designee to the Manager of Human Resources or as identified in District policy. Whenever possible, authorization will be obtained in advance of the work being performed. Such Overtime Compensation shall be paid at a rate not to exceed one and one-half times an exempt employee's regular base rate of pay prorated to an hourly rate and may be subject to limitations or maximums of hours or dollars set forth by the General Manager in writing. Positions at the Director level and above shall not be eligible for such Exempt Employee Overtime Compensation. A designee acting on behalf of the General Manager shall not authorize his or her own Exempt Employee Overtime Compensation.

5. Paid Administrative Leave, defined as paid time off authorized by the General Manager or designee, issued during situations which warrant providing the employee paid time away from work, including paying for final partial workdays, paying employees during an investigation in which it is determined that the employee or a witness should not be at the workplace, or similar situations as approved by the General Manager.

6. Severance Compensation, allows the District and an employee to come to a mutual decision regarding employment and is defined as either compensation provided as a one-time payment or salary continuation within a written agreement issued by the Manager of Human Resources during the course of concluding employment matters.

7. Severance Benefits, allows the District and an employee to come to a mutual decision regarding employment and is defined as either actual benefit enrollment during benefit continuation or as lump sum compensation provided within a written agreement issued by the Manager of Human Resources during the course of concluding employment matters.

8. Additional Personal Leave benefits may be provided as:

    a. A one-time granting of a specified number of additional leave hours loaded into an employee's personal leave bank (not to exceed 80 hours) and/or,
    b. Accelerated Personal Leave service accrual rate.

Any additional personal leave benefits will be defined within a written offer letter issued by the Manager of Human Resources during the course of recruiting or retention activities. Additional personal leave benefits allow the District to recruit positions at a reasonable salary while providing a similar benefit an employee was receiving at the previous employer.

BE IT FURTHER RESOLVED by the Commission of Public Utility District No. 1 of Benton County that the Commission directs the General Manager or his or her designee to annually report to the Commission the aggregate value of the nonstandard compensation and benefits paid to employees for items 1-7 above that have not previously been approved by the Commission.

BE IT FURTHER RESOLVED by the Commission of Public Utility District No. 1 of Benton County that the General Manager is authorized to enter into employment agreements to retain senior key executive employees in order to provide stability and continuity of District operations.

BE IT FURTHER RESOLVED by the Commission of Public Utility District No. 1 of Benton County that the General Manager is authorized to develop subordinate policies and to approve payments of one or more of the following nonstandard compensation and benefits for an employee or employees at his or her discretion, as described by this resolution. Past actions of the General Manager are hereby approved and ratified. Specifically:

1. Longevity Awards. Eligible employees may receive a longevity award every five years on an inclining scale not to exceed two hundred dollars ($200) in value per award for recognition of completion of years of continuous service.

2. Thanksgiving Eve Day and Christmas Eve Day Early Release. Under the approval of the General Manager, employees who report to work for a full shift on the last regularly scheduled workday preceding the observed Thanksgiving and Christmas Day holidays may be allowed to leave two (2) hours prior to their regularly scheduled quitting time and will be paid their normal pay for the two (2) hours of leave. If Christmas Day falls on a regularly scheduled Friday off or the weekend, the (2) two-hour early release will be observed the last regularly scheduled workday preceding the holiday.

3. Unplanned Facility Closure. If due to conditions, such as inclement weather, that pose a safety risk to the District's employees or customers, the General Manager or the Assistant General Manager determines an immediate closure of a District work site(s) is appropriate, employees who are at work and are relieved from duty will be paid in accordance with the Collective Bargaining Agreement or District policy. Employees who do not report to work on the day of the closure or who leave prior to the closure will be required to take leave (e.g. personal leave, floating holiday, compensatory time off, leave of absence) as approved in accordance with the Collective Bargaining Agreement or District policies for the time he/she was absent from work. Certain employees may not be relieved from duty in such instances due to the need to operate the District's electric system and public safety.

4. Use of Personal Leave Prior to Retirement. Employees covered under the Collective Bargaining Agreement may be authorized to use their personal leave prior to their date of retirement. Existing requirements pertaining to approval of personal leave remain in effect for employees subject to the Collective Bargaining Agreement.

5. Personal Leave Credit for Irrevocable Advance Notice of Retirement. In an effort to incentivize employees to communicate their retirement plans early, eligible employees may be authorized to receive up to ten (10) days of additional personal leave credit added to their personal leave balance in the final pay period of their employment as specified in a policy issued by the General Manager. This policy is in lieu of allowing use of personal leave prior to the date of retirement.

6. Incentive Programs.
   a. Safety. Eligible employees may receive an annual safety award not to exceed two hundred seventy-five dollars ($275) in value per award for recognition of completion of the Safety Incentive Program. In addition, an additional safety award not to exceed one hundred dollars ($100) in value will be issued to one person randomly selected from a list of individuals who have exceeded the highest point value of the Program.
   b. 360 Program. Eligible employees may receive an annual well-being award not to exceed two hundred seventy-five dollars ($275) in value per award for recognition of completion of the 360 Well Being and Incentive Program. In addition, an additional wellness award not to exceed one hundred dollars ($100) in value will be issued to one person randomly selected from a list of individuals who have exceeded the highest point value of the Program.
   c. EmPOWERed. Eligible employees may receive an incentive award not to exceed sixteen (16) hours of Personal Leave (PL) over a two-year period for recognition of completion of the EmPOWERed Certification Program.
   d. Power Up. Eligible employees may receive an annual incentive award not to exceed sixteen (16) hours of Personal Leave (PL) for meeting the established Power UP Program District Established Goals.

ADOPTED by the Commission of Public Utility District No. 1 of Benton County, Washington, at an open public meeting as required by law this 8th day of September 2026.

This Resolution supersedes Resolution No. 2664 dated March 26, 2024.

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Jeffrey D. Hall, President

ATTEST:

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Michael D. Massey, Secretary

Resolution No. ~~2664~~2736

~~March 26~~September 8, 202~~4~~6

A RESOLUTION AMENDING NONSTANDARD DISCRETIONARY COMPENSATION AND BENEFITS

WHEREAS, Resolution No. 2609 established authority for the General Manager to authorize Nonstandard Discretionary Compensation and Benefits, and directed the General Manager to make an annual report to the Commission of the aggregate value of such compensation and benefits; AND

WHEREAS, the District desires to ensure competitive recruiting and retention incentives to support recruiting practices in a tight labor market; AND

WHEREAS, The District desires to expediently investigate workplace matters and provide for resolution of such matters; AND

WHEREAS, The District may request employees who are exempt from the Fair Labor Standards Act (FLSA) to perform bargaining work when bargaining personnel are not available to meet critical business needs of the District after normal business hours associated with electrical service, AND

WHEREAS, Court decisions and rulings from the U.S. Department of Labor have established that additional compensation paid to employees who are exempt from the FLSA will not destroy their exempt status; AND

WHEREAS, the Commission desires to provide fair and equitable pay and benefits for all employees of the District; AND

WHEREAS, District facility closures may be warranted when conditions arise, such as inclement weather, that may pose a safety risk to District employees and customers; AND

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    d. Power Up. Eligible employees may receive an annual incentive award not to exceed sixteen (16) hours of Personal Leave (PL) for meeting the established Power UP Program District Established Goals.

ADOPTED by the Commission of Public Utility District No. 1 of Benton County, Washington, at an open public meeting as required by law this ~~26th~~ 8th day of ~~March~~ September 202~~4~~6.

This Resolution supersedes Resolution No. ~~2637~~ 2664 dated ~~May 9~~March 26, 202~~3~~4.

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Jeffrey D. Hall, ~~Vice~~ President

ATTEST:

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~~Lori Kays-Sanders~~Michael D. Massey, Secretary

COMMISSION AGENDA ACTION FORM

Meeting Date:	September 8, 2026	
Subject:	Financial Forecast and 2027 Rate Increase Direction	
Authored by:	Keith Mercer	Staff Preparing Item
Presenter:	Keith Mercer / Jon Meyer	Staff Presenting Item (if applicable or N/A)
Approved by:	Keith Mercer	Dept. Director/Manager
Approved for Commission:	Rick Dunn	General Manager/Asst GM

Type of Agenda Item:	**Type of Action Needed:** *(Multiple boxes can be checked, if necessary)*	
☐ Consent Agenda	☐ Pass Motion	☐ Decision / Direction
☒ Business Agenda	☐ Pass Resolution	☒ Info Only
☐ Public Hearing	☐ Contract/Change Order	☐ Info Only/Possible Action
☐ Other Business	☐ Sign Letter / Document	☐ Presentation Included

Motion for Commission Consideration:

None

Background/Summary

Staff will present an updated financial forecast incorporating year-to-date actuals through July, the preliminary 2026-2030 capital plan, and updated 2026-2030 BPA cost estimates. Staff will seek Commission confirmation to hold the proposed 2027 rate increase discussions in conjunction with the 2027 budget public hearing process, consistent with the approach used last year. Staff will also seek Commission input on the allocation and rate design of the proposed 2027 rate increase, including how the increase will be distributed among customer classes and, within each class, among the customer, demand, and energy charges.

Recommendation

None

Fiscal Impact

None

Signature Certificate

Envelope Ref:b1dd845ba0b002083dd0134c0d5cca251e2c712d

Author:	Nykki Drake	Creation Date:	03 Sep 2026, 06:02:43, PDT	Completion Date:	03 Sep 2026, 06:57:32, PDT

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Document Signed By:

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Email:	dunnr@bentonpud.org
Signer ID:	1X4E19UA19...
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Executed	Document(s) successfully executed on 03 Sep 2026, 06:57:32, PDT
Signed Document(s)	Link emailed to dunnr@bentonpud.org
Signed Document(s)	Link emailed to draked@bentonpud.org