



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

Tuesday, March 24, 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: 290 096 460 #

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

4. 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>.)

5. 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 March 10, 2026 pg. 3
- b. Travel Report dated March 24, 2026 pg. 11

Finance

- c. Vouchers dated March 24, 2026 pg. 13

Operations/Engineering

- d. Quit Claim Deed – 8th & Auburn, Kennewick, WA pg. 41
- e. Work Order No. 731506 – Urban Trails Phase 2 pg. 45

Procurement

- f. Contract Change Order #12 – BCES – Contract #16-33-02 pg. 47
- g. Contract Award – 2026 Foundation for Water & Energy Education Interlocal Agreement – Contract #26-12-04 pg. 49
- h. Contract Award – Insight Public Sector – Solarwinds – Contract #26-15-03 - (WA State Contract #14922 pg. 57
- i. Contract Award Recommendation – Washington State Auditor’s Office – Letters of Agreement - Contract #26-14-01 pg. 65

6. Management Report

7. Business Agenda

- a. White Creek Wind I, LLC - Agreement to Waive Purchase Option;
Contract #08-51-19, CO #2 - B. Scherer pg. 67

- b. Revising Power Risk Management and Trading Policies;
Resolution No. 2721 – B. Scherer pg. 77

- c. BPA Provider of Choice-Above Contract High Water Mark
Load Election – B. Scherer pg. 120

- d. Review Final 2025 Annual Financial Report – K. Zirker pg. 129

- e. Financial Forecast – K. Mercer and J. Meyer pg. 204

8. Other Business

9. Future Planning

10. Meeting Reports

11. Executive Session

12. Adjournment

(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.)

MINUTES

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

Date: March 10, 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
Assistant General Manager/Sr. Director Engineering & Operations Steve Hunter
Chief Financial Officer Jon Meyer
Director of Human Resources and Communications Karen Dunlap
Supervisor of Executive Administration/Clerk of the Board Cami McKenzie
Records Program Administrator II Nykki Drake
General Counsel Allyson Dahlhauser
- Absent:** Chief Operating Officer Chris Folta
Director of IT & Broadband Services Jennifer Holbrook

Benton PUD employees present during all or a portion of the meeting, either in person or virtually: Director of Conservation & Distributed Energy Resources Chris Johnson; Director of Customer Service and Treasury Keith Mercer; Director of Engineering Evan Edwards; Annette Cobb, Manager of Customer Service; Blake Scherer, Manager of Power Supply & Transmission Service; Duane Crum, Manager of IT Infrastructure; Jodi Henderson, Manager of Communications & Government Relations; Kent Zirker, Manager of Accounting; Levi Lanphear, Procurement Administrator; Michelle Ness, Supervisor of Distribution Design; Michelle Ochweri, Manager of Procurement; Robert Inman, Superintendent of Transportation & Distribution; Shannon Sensibaugh, Administrative Assistant, II; Tyson Brown, Procurement Specialist II; Jeff Vosahlo, Senior Distribution Designer.

Call to Order & Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

No changes.

Public Comment

None.

Treasurer's Report

Keith Mercer, Director of Customer Service & Treasury Operations, reviewed the February, 2026 Treasurer's Report with the Commission as finalized on March 2, 2026.

Consent Agenda

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

- a. Regular Commission Meeting Minutes of February 10, 2026
- b. Travel Report dated March 10, 2026
- c. Annual Travel Report dated March 10, 2026 (2nd Updated)
- d. Vouchers (report dated March 10, 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: 113254-113283; 113440-113509; 113668-113712 in the amount of \$3,550,323.80.
Checks & Customer Refund Payments (CHK): 91709-91823 in the amount of \$361,067.93;
Electronic Fund Transfer (WIRE) Payments: 7517-7544 in the amount of \$9,596,832.88;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$2,060.00;
Payroll: Direct Deposit – 2/12/2026: 113284-113439 in the amount \$449,168.16;
Checks – 2/12/2026: 600259-600291 in the amount of \$62,013.49; Direct Deposit – 2/26/2026: 113510-113667 in the amount of \$511,127.51;
Void DD (February, 2026) in the amount of \$7,800.00;
Void Checks (February, 2026) in the amount of \$770.55;
Total - \$14,532,593.77
- e. Amending the Merit-Based Salary Administration Plan – Resolution No. 2722
- f. Work Order #748776 – Highland Village Apartments – Cable Replacement
- g. Work Order #750763 – W. 19th Ave. & S. Olympia St. - Cable Replacement
- h. Work Order #759846 – Game Farm Rd. & Whitney Rd. – Cable Replacement
- i. Work Order #760511 – Bermuda Rd. & E. Valencia Dr. – Cable Replacement
- j. Completion/Acceptance of Contract #22-32-02 – Boyd's Tree Service
- k. Contract Award - National Auto Fleet Group – (2) 2026 Ford Super Duty F-350 Trucks - Contract # 26-32-01 (WA State DES Contract #13022)

Management Report

Chief Financial Officer - Jon Meyer

1. Privilege Tax Update

CFO Jon Meyer reported on the District's annual privilege tax payment. The privilege tax is a Washington state tax on public utility districts that is in lieu of property taxes. The

privilege tax rate is 2.14% of annual retail revenues. The District's 2025 privilege tax, which was paid in February 2026, totaled approximately \$2.9 million. A breakdown of how the state distributes the privilege tax was provided including amounts kept by the state and amounts distributed to the county and cities. The privilege tax and state public utility tax is built into the District's electric rates. City utility taxes are not built into rates and are added as an additional line item on customer bills for customers that reside within city limits.

2. New State Audit Date

CFO Jon Meyer reported that the District has been notified that the State Auditor's Office will begin the District's 2025 audit next month, earlier than in previous years.

3. Residential Exchange Program

CFO Jon Meyer reported that Bonneville Power Administration (BPA) issued a Record of Decision (ROD) on March 6, 2026 regarding the Residential Purchase and Sale Agreement (RPSA) component of the Residential Exchange Program. The RPSA is the agreement between BPA and an investor owned utility (IOU) that defines the terms of the Residential Exchange. BPA reaffirmed in the ROD that the Residential Exchange Program would remain a financial transaction rather than a physical transaction, and environmental attributes will not be conveyed through the program. IOUs have 90 days from the release of the ROD to petition for a judicial review of the decision. Looking forward, BPA plans to issue a ROD in late April regarding the Average System Cost (ASC) methodology that defines what costs are included in BPA's exchange rate and IOU average system costs, that forms the basis for the financial exchange. Later this summer, BPA will initiate a third public process related to the 7(b)(2) Residential Exchange rate protection test, with a ROD expected in Spring 2027. The 7(b)(2) rate protection test limits the impacts of the Residential Exchange to BPA preference customers by capping the impact so that preference rates would be no higher than what they would have been if the 1980 Northwest Power Act never existed.

Govt. & Comm. Relations Manager - Jodi Henderson

1. WPUDA Bill Status Report Check-In

Manager Jodi Henderson provided an update on the WPUDA bill status report, noting that the Legislature is expected to adjourn Thursday with the state budget anticipated Wednesday. She highlighted several bills being tracked, including proposing a Washington Electric Transmission Authority, HB 1903 establishing a state low-income energy assistance program, and HB 2296 expanding the use of distributed energy resources.

General Manager – Rick Dunn

1. SPP Markets+ Update

General Manager Dunn reported on SPP Markets+, noting that representatives from the Southwest Power Pool (SPP) recently presented to the Public Power Council (PPC). He reviewed the expanding western market footprint and the anticipated October 1, 2028 go-live date for BPA and other Northwest utility participants. General Manager Dunn noted that Markets+ is intended to provide more efficient buying and selling of power, an

independent market operator with proven systems, broader access to regional resources, and improved balance of cost and reliability. GM Dunn also noted that utilities would retain operational control and local reliability responsibilities, with no consolidation of transmission tariffs, and no overhaul of planning or interconnection processes. He also reminded Commissioners that a challenge to BPA joining Markets+ is still pending in the Ninth Circuit Court of Appeals but this has not delayed BPA's actions to proceed with implementation actions, although SPP has had a difficult time gaining cooperation from the California Independent System Operator (CAISO). CAISO has offered a competing alternative to Markets+ in the form of their Extended Day-Ahead Market (EDAM) which is what the plaintiffs in the court case want BPA to join.

2. CRSO Litigation Update

General Manager Dunn reported on recent developments related to Columbia River System Operations (CRSO) litigation. U.S. District Judge Michael Simon issued a preliminary injunction (PI) on February 25, 2026, ordering higher spill at eight dams on the lower Snake and Columbia rivers beginning in March. The PI sets reservoir pool levels at the Minimum Irrigation Pool, levels higher than the Minimum Operating Pool requested by the plaintiffs, which will result in a slightly smaller financial impact than originally anticipated. Current estimates suggest the impact to Benton PUD's retail rates could be approximately 2.5% to 3.5%.

Chief Financial Officer Jon Meyer added that as a result of the PI BPA estimates approximately \$100 million annually in regional costs, of which \$85 million will need to be collected by BPA for non-slice products. Most of the costs of the PI are attributable to summer months. As BPA and its customers are in the first fiscal year (FY26) of the current three-year rate period, BPA has two fiscal years (FY27 and FY28) to collect for the impacts of the PI for all three years of the rate period. As such, BPA will need to charge \$125 million to non-slice customers in both FY27 and FY28 to collect three years-worth of costs of the PI. BPA is planning on beginning a separate formal rate case this April for FY27 and FY28 to formulate rate solutions for the cost impacts of the PI. Before the formal rate case begins, BPA is seeking feedback from utilities on preferences of rate mechanisms, including increasing the cap on the existing Financial Reserve Policy Surcharge.

3. NWCC F&W Program Concerns

General Manager Dunn reported on ongoing public hearings conducted by the Northwest Power and Conservation Council's regarding their recommended Fish & Wildlife Program. He noted that recent hearings have had a high number of stakeholders advocating for expanded fish and wildlife programs and that these stakeholders frequently outnumbered public power representatives. Manager Jodi Henderson provided comments on behalf of Benton PUD. Public Power Council and Northwest River Partners have also filed comments and have campaigned hard for their members to do the same. General Manager Dunn stated that direct Fish & Wildlife Program costs have recently been approximately \$260 million annually but that total costs including lost power generation and other related costs are much higher representing roughly one-quarter of BPA wholesale power rates. He emphasized the importance of clearly identifying the total costs associated with fish and wildlife programs and evaluating which investments

provide the most “bang-for-the-buck” . He noted that habitat restoration is where 42% of funds are spent and yet these projects, while they look good on the surface, don’t deliver as many returning adult salmon as one might think, especially when compared to predator removal which is highly effective and only represents 2% of funding.

4. BPA Administrator Update

General Manager Dunn reported that BPA Administrator John Hairston has accepted a position with the Eugene Water & Electric Board (EWEB). He noted that discussions are occurring at the federal level regarding the BPA Administrator position and compensation, including interest in addressing the relatively low salary for the role. He also reported that BPA is considering moving forward with the process to name a permanent administrator without appointing an interim administrator, and that he has offered to participate on the interview panel as the selection process moves forward.

5. New ERA Power Program Introduction

General Manager Dunn introduced a draft concept for a New ERA Power Program, intended as a voluntary giving program that could complement the District’s existing state mandated green power program. The NEW ERA program would allow customers or partners to make contributions supporting initiatives aligned with environmentally responsible, reliable, and affordable energy in the Pacific Northwest. Potential program partners discussed included the Upper Columbia United Tribes to support efforts to restore salmon to the Upper Columbia River Basin, Energy Northwest to promote development of small modular reactors, and Northwest RiverPartners’ “Our Power is Water” campaign promoting hydropower. He explained that contributions would be directed to selected initiatives and noted the concept would be more viable if additional utilities or regional partners participated. Commissioners discussed the concept and indicated support for staff to further explore the concept and gather feedback from potential partners and stakeholders.

The Commission recessed, reconvening at 10:37 a.m.

Business Agenda

Work Order #718357/American Rock Line Extension/US-397/I-82

Director of Engineering Evan Edwards reported that American Rock has requested additional capacity at its concrete and asphalt plant near the US-397/I-82 interchange. The project will extend Zephyr Heights Substation Feeder #3 to serve the increased load. He noted that American Rock would like to eventually relocate its headquarters to the site.

This work includes upgrading 0.44 miles of existing line and constructing 3.52 miles of new overhead primary electric feeder east of I-82 along US-397. The project also aligns with the District’s system planning efforts to support future feeder ties and potential substation needs as development continues south in the area.

Because the project is in a public right-of-way and considered “Core Electric System” facilities under the District’s Line Extension and Facilities Construction Policy, most project costs are excluded from the Contribution in Aid of Construction (CIAC), which is the portion of project costs typically paid by a customer requesting service.

The estimated project cost is approximately \$814,916, with American Rock contributing \$289,001 through CIAC and the District funding approximately \$563,505 to support additional system capacity that will benefit future development in the area. Director Edwards also noted other projects and development activity in the area would benefit from the additional capacity provided by the project.

MOTION: Commissioner Sanders moved to approve Work Order #718357, American Rock Line Extension, US-397/I-82 as presented. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

Work Order #762541/Cardenas - Underground Electric Facilities

Director of Engineering Evan Edwards reported that a customer requesting electrical service for a project located at the end of several parcels along S. C. Williams Road requiring installation of underground electric facilities. Project costs were divided among the affected parcels based on the facilities installed on each. The project will construct underground electric facilities to serve 12 lots, meeting the customer’s initial request for service and will also prepare 10 additional parcels for future development.

Director Evans explained that the remaining undeveloped parcels will have shared development costs applied to each lot in accordance with the District’s Line Extension and Facilities Construction Policy.

Staff discussed how shared development costs are tracked and applied if additional parcels request service in the future. Additionally, the District tracks these costs through its GIS system and that property owners requesting future service would be required to pay their applicable share under the policy. Staff also noted that while the current policy has worked well, the District may consider potential constraints on similar proposals in the future.

MOTION: Commissioner Massey moved to approve Work Order #762541 – Cardenas Underground Electric Facilities for the installation of underground primary electric facilities to serve 12 lots as presented. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

Work Order #761762/Sunheaven (Hartley) North of Booster 4

Director of Engineering Evan Edwards reported that the District is constructing a new transmission line, substation, and distribution feeder getaway to add capacity to the east end of the Sunheaven Farm complex in advance of new agricultural processing facility load.

This project will modify an existing section of 4/0 underground feeder replacing 200A elbows with 600A elbows to utilize the full conductor rating and will install two additional vaults with pad mounted switchgear. The work is being initiated through the normal development agreement process and is in addition to the transmission, substation, and feeder getaway projects currently under way.

Director Edwards also provided a project update, noting that substation construction has begun, with concrete currently being poured for the self-supporting steel structure foundation. He reported that the project is progressing well with no anticipated delays of the transformer being delivered and energization expected in late July.

MOTION: Commissioner Sanders moved to approve Work Order # 761762 – Sunheaven (Hartley) North of Booster 4 feeder modification as presented. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

Amendment to Customer Service Policies – Resolution No. 2720

Director of Customer Services/Treasury Keith Mercer reported that staff previously discussed with Commission updates to the Customer Service Policies related to Transitory Electricity Intensive Load (EIL) and the development of a separate Transitory EIL rate. Following Commission direction, staff conducted a comprehensive policy review and prepared recommended revisions.

The proposed amendments clarify the definition of EIL, focusing on digital asset businesses that can scale operations quickly, and include provisions for transitory EIL. Changes were also proposed to deposit and credit policies, including modifications to the 90% load deposit structure to limit District liability and closure of the one-month prepay options for new enrollment due to its limited use and administrative complexity. In addition, a new section addressing threats, harassment, and safety of District employees has been added.

Additional updates resulting from the policy review are summarized in the memo provided to the Commission. Staff will continue developing a Transitory EIL rate framework to bring back to the Commission this summer. The proposed changes have no direct budget impact and are intended to strengthen cost recovery authority and reduce financial exposure associated with Transitory EIL.

MOTION: Commissioner Sanders moved to adopt Resolution No. 2720 amending Customer Service Policies effective March 10, 2026 as presented. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

Meeting Reports

D.C. Legislative Rally

Commissioner Sanders reported attending meetings in Washington D.C., including discussion with Congressman Newhouse, Senator Patty Murray, and staff from Congressman Michael Baumgartner’s office regarding BPA matters and public power. She also noted discussions at the APPA Legislative Rally related to turbine replacements and hydroelectric upgrades.

TEA Symposium

Commissioners Sanders and Massey reported attending the TEA Symposium. Topics discussed included quantum computing, regional grid developments involving MISO and SPP, and delays affecting manufacturers such as GE and Siemens.

General Manager Dunn said he was invited to attend a Central Washington Energy Summit hosted by Congressman Dan Newhouse and he would send along the invitation to the Commission. Additionally, he was invited to serve as a panelist at the Badger Club on March 26 to discuss our energy future.

Executive Session – Review Performance of a Public Employee

The Commission went into executive with General Manager Rick Dunn at 11:19 a.m. for 10 minutes to review the performance of a public employee. The Commission came out of executive session at 11:39 a.m.

Closed Session – Collective Bargaining

General Manager Rick Dunn requested the Commission enter a closed session to discuss collective bargaining matters.

Adjournment

Hearing no objection, President Hall adjourned the meeting at approximately 11:39 a.m.

Jeff Hall, President

ATTEST:

Mike Massey, Secretary

Periodic Travel Report - March 24, 2026

<i>Date Start</i>	<i>Business Days</i>	<i>Name</i>	<i>City</i>	<i>Purpose</i>
3/4/2026	1	Douglas Dobrec	Otis Orchards, WA	GLOVES
4/28/2026	4	Jodi Henderson	Suquamish, WA	WPUDA ANNUAL CONFERENCE
5/2/2026	6	Jody George	San Diego, CA	TABLEAU BOOTCAMP & CONFERENCE
5/4/2026	4	Tyson Brown	San Diego, CA	TABLEAU CONFERENCE
7/28/2026	3	Shannon Sensibaugh	Santa Rosa, CA	NWPPA WOMEN IN PUBLIC POWER CONFERENCE



PAYMENT APPROVAL
March 24, 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	113713 - 113905	113749 - 113939	1 - 5 5 - 8	\$ 1,092,947.16
Checks & Customer Refund Payments (CHK)	91824 -	91893 -	9 - 14	
Electronic Fund Transfer (WIRE) Payments	7545 -	7553	15 - 16	
Residential Conservation Rebates:				
Credits on Customer Accounts			17	\$ 950.00
Purchase Card Detail:				
	February 2026		18 - 27	
Payroll:				
Direct Deposit - 3/12/2026	113750 -	113904 -		\$ 443,299.19
TOTAL				\$ 2,308,106.22
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 L. Meyer, Auditor 3/16/2026
Date

Reviewed by:



Rick Dunn, General Manager

Approved by:

Jeffrey D. Hall, President

Lori Kays-Sanders, Vice-President

Michael D. Massey, Secretary

03/12/2026 7:28:07 AM

Accounts Payable Check Register

Page 1

03/01/2026 To 03/13/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
113713 3/4/26	DD	10993	ADAMS CABLE EQUIPMENT	Cooling Unit	2,928.97
113714 3/4/26	DD	963	ANIXTER INC.	Material	1,648.19
				BOLTS OE 5/8 X 12	216.51
				CLEVIS INSUL 4 SQ D	1,788.02
				CURV 3X3X1/4 11/16 H	473.28
				Fuse Link	182.51
				Arrester Coverup	328.23
				Rod Anchor	409.96
				Bolt Ovaley	276.90
				Guy Hook	1,370.06
				Quadrant Upgrade Key for A3	8,160.00
Total for Check/Tran - 113714:					14,853.66
113715 3/4/26	DD	11215	BAKER TILLY US, LLP	Auditing Svc	3,524.00
113716 3/4/26	DD	34	BENTON PUD-ADVANCE TRAVEL	E/W Superintendent Mtg	99.99
				E/W Superintendent Mtg	99.99
Total for Check/Tran - 113716:					199.98
113717 3/4/26	DD	246	BONNEVILLE POWER ADMIN	EIM Tranmsision Bill	56.45
113718 3/4/26	DD	3828	BORDER STATES INDUSTRIES, INC.	ANCHOR CROSS PLATE HEAVY	5,393.69
				Hotline Tap Clamp 500cu to #4cu	388.71
				BEND 90PVC SCH40 1 IN Belled a	319.43
				Bell end, PVC, 3"	368.18
Total for Check/Tran - 113718:					6,470.01
113719 3/4/26	DD	3344	BOYD'S TREE SERVICE, LLC	Tree Trimming Svc	9,781.20
				Tree Trimming Svc	9,791.46
Total for Check/Tran - 113719:					19,572.66
113720 3/4/26	DD	10837	CAMPBELL & COMPANY SERVICE COR REEP		400.00
113721 3/4/26	DD	57	CONSOLIDATED ELECTRICAL DISTRIB	Ty Wraps, Thomas & Betts #TY524MX	913.92

03/12/2026 7:28:07 AM

Accounts Payable Check Register

Page 2

03/01/2026 To 03/13/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Ty Wraps, Thomas & Betts #TY527MX	4,188.80
				Ty Wraps, Thomas & Betts #TY529MX	3,633.92
				Material - PO 58400	2,512.57
				Credit PO 58400 - Inv 3627-1123159	-2,512.57
				Ty Wraps, Thomas & Betts #TY525MX	2,284.80
				Ty Wraps, Thomas & Betts #TY526MX	217.60
				Total for Check/Tran - 113721:	11,239.04
113722 3/4/26	DD	3439	DJ'S ELECTRICAL, INC.	JU/NESC Compliance	89,947.66
				Cable Replacement	89,775.28
				Cable Replacement	28,759.29
				Cable Replacement	-185.03
				Total for Check/Tran - 113722:	208,297.20
113723 3/4/26	DD	11157	CONNOR W EBY	Camp Rilea - 1st yr Apprenticeship	104.39
113724 3/4/26	DD	1537	FERRELLGAS	Bulk Propane	1,801.26
113725 3/4/26	DD	10656	RYAN A FLEENOR	2026 WSU Pesticide Class	18.75
113726 3/4/26	DD	79	GENERAL PACIFIC, INC.	Electrical Tape	2,028.38
				DE AUTO 12.5M SHORT BAIL	3,272.71
				DE PREF SG 2 ACSR	378.62
				Smart Navigator	20,889.60
				Total for Check/Tran - 113726:	26,569.31
113727 3/4/26	DD	2798	JESSIE E GRAD	E/W Superintendent Mtg	81.49
113728 3/4/26	DD	1624	JEFFREY D HALL	WPUDA/APPA Leg Rally	1,591.22
113729 3/4/26	DD	3171	JODI A HENDERSON	WPUDA/APPA Leg Rally	1,142.49
113730 3/4/26	DD	3205	HIGH DESERT GLASS, LLC	REEP	534.00
113731 3/4/26	DD	374	HOWARD INDUSTRIES, INC.	Transformers	152,006.66
113732 3/4/26	DD	1202	ROBERT W INMAN	E/W Superintendent Mtg	65.21

03/12/2026 7:28:07 AM

Accounts Payable Check Register

Page 3

03/01/2026 To 03/13/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
113733 3/4/26	DD	990	INSIGHT PUBLIC SECTOR INC.	Software Subscriptions	4,528.54
113734 3/4/26	DD	10660	IRBY ELECTRICAL UTILITIES	Arrester	4,190.80
				BOLTS MACH 5/8 X 12	352.51
				DE AUTO 1/2 IN SHORT BAIL	2,239.54
				DE AUTO 1/2 IN SHORT BAIL	3,359.31
				TAPE LINERLSS RBR SPL 1.5	5,361.12
Total for Check/Tran - 113734:					15,503.28
113735 3/4/26	DD	3644	LOOMIS	Drop Box/Kiosks	2,022.24
				Safepoint Svc	1,471.18
Total for Check/Tran - 113735:					3,493.42
113736 3/4/26	DD	10794	MCWANE POLES	Poles	53,416.80
				Poles	53,416.80
Total for Check/Tran - 113736:					106,833.60
113737 3/4/26	DD	10897	ROSA D MITCHELL	WA Dept Lic PE Renewal	128.00
113738 3/4/26	DD	111	MONARCH MACHINE & TOOL CO., INC.	Steel Plates w/Holes	380.80
113739 3/4/26	DD	2949	OUTSOLVE, LLC	Affirmative Action Plans	1,720.00
113740 3/4/26	DD	2176	PACIFIC OFFICE AUTOMATION, INC.	Monthly Billing	17.89
				Monthly Billing	589.04
Total for Check/Tran - 113740:					606.93
113741 3/4/26	DD	1241	PARAMOUNT COMMUNICATIONS, INC.	20 - Off-the-Dock Labor	694.22
				Center of Recovery	567.94
				20 - Off-the-Dock Labor	3,136.53
Total for Check/Tran - 113741:					4,398.69
113742 3/4/26	DD	10608	GEORGE M PATRICK	2026 WSU Pesticide Class	37.50
113743 3/4/26	DD	2342	DUANE E SZENDRE	2026 WSU Pesticide Class	37.50
113744 3/4/26	DD	2490	TRI CITIES AREA JOURNAL OF BUSINE	Advertising	700.00

03/12/2026 7:28:07 AM

Accounts Payable Check Register

Page 4

03/01/2026 To 03/13/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
113745 3/4/26	DD	1163	TYNDALE ENTERPRISES, INC.	Clothing-Lanhpear	319.66
				Clothing-Garner	458.92
				Clothing-Wales	206.18
				Clothing- Reiss	111.52
				Credit - Inv 4239651	-585.34
Total for Check/Tran - 113745:					510.94
113746 3/4/26	DD	3098	US BANK CORPORATE PAYMENT SYST	Executive	5,659.77
				Finance & Business Services	587.80
				Customer Service	84.51
				Contracts & Purchasing	138.60
				Engineering	1,976.91
				IT Infrastructure	29,820.12
				Operations - Line Department	1,826.92
				Operations	1,007.58
				Operations - Meter Shop	2,674.28
				Operations - Transformer Shop	3,053.74
				Operations - Support Svcs	467.97
				Operations - Maintenance	3,560.01
				Operations - (Support Svcs. Fleet)	20,864.37
				Operations - Warehouse	9,759.79
				Power Management	1,200.00
				Storm Card #10	75.00
				Travel Card	6,715.58
Total for Check/Tran - 113746:					89,472.95
113747 3/4/26	DD	11062	VESTIS SERVICES, LLC	Weekly Svc	56.61
				Weekly Svc	27.73
				Weekly Svc	38.14
				Weekly Svc	35.80
				Weekly Svc	18.39
Total for Check/Tran - 113747:					176.67

03/12/2026 7:28:07 AM

Accounts Payable Check Register

Page 5

03/01/2026 To 03/13/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
113748 3/4/26	DD	205	WASHINGTON STATE AUDITOR'S OFFI	Accountability Audit	4,021.35
113749 3/4/26	DD	11095	YOUNGS HEATING & COOLING, LLC	REEP	9,000.00
113905 3/11/26	DD	10336	3DEGREES GROUP, INC.	REC Compliance 2025	50,386.00
113906 3/11/26	DD	963	ANIXTER INC.	FGO CU 2 STR GC 5002S	12,525.32
				FGO CU 4 SOL GC 5004	2,256.79
				FGO CU 2 STR GC 5002S	617.72
				FGO CU 4 SOL GC 5004	697.13
				Fuse T-Type, Kearney #51040	7.30
				Link ,Y-Clevis Eye, 40,000 LB	2,790.72
				Material	53,309.35
				CLEVIS INSUL 4 SQ D	921.10
				Correction PO 58314 L1 -Item 330700	1,351.67
				Credit Correction PO 58314 Inv6633731-01	-1,351.67
				PO 58336 L-3	516.04
				Credit - Inv6704367-00, PO 58336 L-3	-516.04
				Correction PO 58314 L-2 Item 330720	783.36
				Credit PO 58314 L2 Inv 6699277-00	-783.36
				SQ 4X4X1/4, 15/16 H, 3/4", 7/8	509.97
Total for Check/Tran - 113906:					73,635.40
113907 3/11/26	DD	36	BENTON PUD - REVOLVING FUND-MAI	DOL - Vehicle #230	70.00
				DOL - Vehicle #234	65.50
				Business Reply Postage	200.00
Total for Check/Tran - 113907:					335.50
113908 3/11/26	DD	3344	BOYD'S TREE SERVICE, LLC	Tree Trimming Svc	6,770.93
				Tree Trimming Svc	7,164.90
Total for Check/Tran - 113908:					13,935.83
113909 3/11/26	DD	11211	CAMCODE	Labels	-247.30
				Labels	3,057.49

03/12/2026 7:28:07 AM

Accounts Payable Check Register

Page 6

03/01/2026 To 03/13/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
Total for Check/Tran - 113909:					2,810.19
113910 3/11/26	DD	1810	CARLSON SALES METERING SOLUTIO	CT, Grabber, 200:5, EXTENDED RANGE, 0.3	4,166.59
113911 3/11/26	DD	2680	CO-ENERGY	Fuel Svc	1,996.72
113912 3/11/26	DD	394	COLUMBIA ELECTRIC SUPPLY	Control Cable, 4C - #10, 600V	1,837.51
113913 3/11/26	DD	3029	DELTA HEATING & COOLING, INC.	Commercial Energy Efficiency Prg	2,000.00
113914 3/11/26	DD	3439	DJ'S ELECTRICAL, INC.	Rock Holes-Zephyr/Gum	15,465.00
				Rock Holes-Zephyr/Gum	8,299.55
Total for Check/Tran - 113914:					23,764.55
113915 3/11/26	DD	10627	DOUGLAS S DOBREC	Glove Pickup	18.75
113916 3/11/26	DD	2757	RICK T DUNN	PPC/NWRP/PNUCC Mtg	859.11
113917 3/11/26	DD	75	FRANKLIN PUD	Fiber Lease	1,404.81
				Fiber Lease	1,197.90
				Fiber Lease	150.00
				Fiber Lease	1,404.81
				Fiber Lease	1,197.90
				Fiber Lease	150.00
Total for Check/Tran - 113917:					5,505.42
113918 3/11/26	DD	79	GENERAL PACIFIC, INC.	Crossarm,Fiberglass Tang. 10'	38,839.42
				WILDLIFE PROT, vise top insulator kit	14,763.40
				Bolt Machine	2,500.22
				Electrical Tape	1,018.37
Total for Check/Tran - 113918:					57,121.41
113919 3/11/26	DD	374	HOWARD INDUSTRIES, INC.	Transformers	19,000.83
113920 3/11/26	DD	3018	HRA VEBA TRUST	ER VEBA	10,850.00
				ER VEBA Wellness	21,600.00
Total for Check/Tran - 113920:					32,450.00

03/12/2026 7:28:07 AM

Accounts Payable Check Register

Page 7

03/01/2026 To 03/13/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
113921 3/11/26	DD	1818	IBEW LOCAL 77	IBEW A Dues Assessment	5,618.95
				IBEW BA Dues Assessment	5,494.49
Total for Check/Tran - 113921:					11,113.44
113922 3/11/26	DD	10660	IRBY ELECTRICAL UTILITIES	Fault Indicator	7,824.13
				Machine Bolt	101.73
				BOLTS MACH 3/4 X 12	591.87
				BOLTS MACH 3/4 X 16	184.42
				BOLTS MACH 5/8 X 10	508.64
				Clamps	3,221.11
Total for Check/Tran - 113922:					12,431.90
113923 3/11/26	DD	103	KENNEWICK, CITY OF	Monthly Billing	774.09
				Monthly Billing	1,400.92
Total for Check/Tran - 113923:					2,175.01
113924 3/11/26	DD	11133	MICHAEL D MASSEY	2026 TEA Energy Symposium	1,628.11
113925 3/11/26	DD	1580	JONATHAN L MEYER	PPC/PNUCC Mtg	618.53
113926 3/11/26	DD	10565	NEOGOV	Software Support	4,022.88
113927 3/11/26	DD	919	NOANET	MacDonald Miller	488.90
				Prior Backbone Fire Damage	15,699.87
Total for Check/Tran - 113927:					16,188.77
113928 3/11/26	DD	10769	ONEBRIDGE BENEFITS INC.	Flex Spending Dependent Care	288.47
				Flex Spending Health Care	3,058.82
Total for Check/Tran - 113928:					3,347.29
113929 3/11/26	DD	11033	RINGCENTRAL, INC.	Software License/Subscription	1,014.39
				Software License/Subscription	2,804.79
				Software License/Support	4,753.99
Total for Check/Tran - 113929:					8,573.17
113930 3/11/26	DD	1125	BLAKE J SCHERER	PPC Mtg	327.24

03/12/2026 7:28:07 AM

Accounts Payable Check Register

Page 8

03/01/2026 To 03/13/2026

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
113931 3/11/26	DD	10943	SEALX, LLC	Janitorial Svc	4,511.31
				Janitorial Svc	2,728.85
				Janitorial Svc	1,722.86
Total for Check/Tran - 113931:					8,963.02
113932 3/11/26	DD	3696	SUMMIT LAW GROUP, PLLC	Professional Svc	1,062.50
113933 3/11/26	DD	3502	SYLVAN LEARNING CENTER	Employee/Candidate Testing	75.00
113934 3/11/26	DD	10958	THREE D METALS, INC.	Aluminum Pipe	6,288.64
				Aluminum Pipe	-508.64
Total for Check/Tran - 113934:					5,780.00
113935 3/11/26	DD	2490	TRI CITIES AREA JOURNAL OF BUSINE	Advertising	1,945.00
113936 3/11/26	DD	1163	TYNDALE ENTERPRISES, INC.	Clothing - Michel	355.51
				Clothing-tietsort/Koerperich	762.25
				Clothing-Eby	1,026.33
				Clothing-Hartman	820.45
Total for Check/Tran - 113936:					2,964.54
113937 3/11/26	DD	1048	UNITED WAY OF BENTON & FRANKLI	EE United Way Contribution	427.23
113938 3/11/26	DD	11062	VESTIS SERVICES, LLC	Weekly Svc	35.80
				Weekly Svc	38.14
				Weekly Svc	27.73
				Weekly Svc	64.07
				Weekly Svc	18.39
Total for Check/Tran - 113938:					184.13
113939 3/11/26	DD	4168	WALKER & ASSOCIATES INC.	Material	28,288.67

Total Payments for Bank Account - 1 :	(72)	1,092,947.16
Total Voids for Bank Account - 1 :	(0)	0.00
Total for Bank Account - 1 :	(72)	1,092,947.16

03/12/2026 7:28:07 AM

Accounts Payable Check Register

Page 9

03/01/2026 To 03/13/2026

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
91824 3/4/26	CHK	3459	ALMETEK INDUSTRIES INC.	Switch Stickers. XFR QC Stickers	1,442.29
91825 3/4/26	CHK	3873	AMERICOOOL HEATING AND A/C, LLC	REEP REEP	9,000.00 9,000.00
Total for Check/Tran - 91825:					18,000.00
91826 3/4/26	CHK	2425	AT&T MOBILITY, LLC	Monthly Billing	5.45
91827 3/4/26	CHK	39	BENTON COUNTY	Property Taxes 2026	3,148.03
91828 3/4/26	CHK	259	BENTON FRANKLIN COMMUNITY ACT	Helping Hands REEP	2,635.20 8,908.73
Total for Check/Tran - 91828:					11,543.93
91829 3/4/26	CHK	35	BENTON PUD - CUSTOMER ACCOUNT	Monthly Billing	356.63
91830 3/4/26	CHK	243	FEDERAL EXPRESS CORP	Mailing Svc	43.84
91831 3/4/26	CHK	4947	KENNEWICK CITY OF	Industrial Energy Efficiency Prg	57,227.89
91832 3/4/26	CHK	128	PERFECTION GLASS, INC.	REEP	294.00
91833 3/4/26	CHK	141	RICHLAND, CITY OF	Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	293.49
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	293.49
				Fiber Lease	146.75
				Fiber Lease	293.49
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75

03/12/2026 7:28:07 AM

Accounts Payable Check Register

Page 10

03/01/2026 To 03/13/2026

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	586.98
				Fiber Lease	586.98
				Fiber Lease	146.75
				Fiber Lease	293.49
				Fiber Lease	293.49
				Fiber Lease	293.49
				Fiber Lease	293.49
				Fiber Lease	146.75
				Fiber Lease	1,467.45
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	293.49
				Fiber Lease	146.75
				Fiber Lease	146.75
				Fiber Lease	293.49
				Total for Check/Tran - 91833:	8,364.57
91834 3/4/26	CHK	3961	SIERRA ELECTRIC, INC.	Repair/Replace Meter Base	947.30
91835 3/4/26	CHK	4220	TOLMAN ELECTRIC INC	Performance Bond - 2026	1,500.00
91836 3/4/26	CHK	992	VERIZON NORTHWEST	Monthly Billing	194.31
				Monthly Billing	360.09
				Monthly Billing	116.94
				Monthly Billing	353.55
				Monthly Billing	2,276.11
				Monthly Billing	226.95
				Monthly Billing	346.91

03/12/2026 7:28:07 AM

Accounts Payable Check Register

Page 11

03/01/2026 To 03/13/2026

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Monthly Billing	235.98
				Total for Check/Tran - 91836:	4,110.84
91837 3/11/26	CHK 35	BENTON PUD - CUSTOMER ACCOUNT	Monthly Billing		350.49
91838 3/11/26	CHK 11224	BPG INVESTMENTS IX LLC	Commercial Energy Efficiency Prg		15,120.00
91839 3/11/26	CHK 243	FEDERAL EXPRESS CORP	Mailing Svc		39.44
91840 3/11/26	CHK 3478	FP MAILING SOLUTIONS	Postage Meter		1,000.00
91841 3/11/26	CHK 128	PERFECTION GLASS, INC.	Commercial Energy Efficiency Prg		3,170.00
91842 3/11/26	CHK 135	PROSSER, CITY OF	Monthly Billing		1,179.64
			Monthly Billing		13.78
			Monthly Billing		1.48
			Total for Check/Tran - 91842:		1,194.90
91843 3/11/26	CHK 11210	PUBLIC UTILITY DIST. NO.1 OF FERRY	CWPU UIP Expense		1,201.25
91844 3/11/26	CHK 379	PURMS JOINT SELF INSURANCE FUND	Liability General Assessment		53,162.81
91845 3/11/26	CHK 1592	REESE CONCRETE PRODUCTS MFG. IN	Vault Base/Lid		72,896.00
91846 3/11/26	CHK 3961	SIERRA ELECTRIC, INC.	Repair/Replace Meter Base		347.82
91847 3/11/26	CHK 11245	TRAVEL LEADERS	Massey Ticket Reimbursement		640.40
91848 3/11/26	CHK 99999	DAVID H ASHBY	Credit Balance Refund		275.00
91849 3/11/26	CHK 99999	RICHARD L BARRICKMAN	Credit Balance Refund		275.00
91850 3/11/26	CHK 99999	NATALIE D BAUTISTA	Credit Balance Refund		137.92
91851 3/11/26	CHK 99999	GARRY L BELLON	Credit Balance Refund		200.00
91852 3/11/26	CHK 99999	BRANSON ROBERT HOMES LLC	Credit Balance Refund		216.91
91853 3/11/26	CHK 99999	YANA BUEL	Credit Balance Refund		29.26

03/12/2026 7:28:07 AM

Accounts Payable Check Register

Page 12

03/01/2026 To 03/13/2026

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
91854 3/11/26	CHK	99999	ALVARO CHAMORRO	Credit Balance Refund	65.07
91855 3/11/26	CHK	99999	DAVID W CODY	Credit Balance Refund	250.00
91856 3/11/26	CHK	99999	ARMANDO CRUZ	Credit Balance Refund	93.17
91857 3/11/26	CHK	99999	DULCE L DELAMORA OROZCO	Credit Balance Refund	96.18
91858 3/11/26	CHK	99999	YASMIN DELGADO	Credit Balance Refund	456.46
91859 3/11/26	CHK	99999	GABRIELLA DIAZ	Credit Balance Refund	310.09
91860 3/11/26	CHK	99999	CAROL A FANNIN	Credit Balance Refund	450.00
91861 3/11/26	CHK	99999	FRIACOS LLC	Credit Balance Refund	425.28
91862 3/11/26	CHK	99999	JAVIER GARCIA MARTINEZ	Credit Balance Refund	40.47
91863 3/11/26	CHK	99999	ANGIE C GARCIA SANABRIA	Credit Balance Refund	218.80
91864 3/11/26	CHK	99999	JOHN GARRISON	Credit Balance Refund	106.83
91865 3/11/26	CHK	99999	KAREN GUZMAN-SOLORZANO	Credit Balance Refund	117.89
91866 3/11/26	CHK	99999	LUCI K HENDERSON	Credit Balance Refund	125.24
91867 3/11/26	CHK	99999	BARBARA J HOSKO	Credit Balance Refund	1,050.00
91868 3/11/26	CHK	99999	JUST COZY CORP	Credit Balance Refund	139.38
91869 3/11/26	CHK	99999	ROXANNE KARR	Credit Balance Refund	666.90
91870 3/11/26	CHK	99999	STEPHAN LANG	Credit Balance Refund	12.59
91871 3/11/26	CHK	99999	DONALD G LATHIM	Credit Balance Refund	1,650.00
91872 3/11/26	CHK	99999	KEN MEY	Credit Balance Refund	350.00
91873 3/11/26	CHK	99999	CHRIS J NEVIN	Credit Balance Refund	200.00
91874 3/11/26	CHK	99999	JORGE A NUNEZ RODRIGUEZ	Credit Balance Refund	111.96

03/12/2026 7:28:07 AM

Accounts Payable Check Register

Page 13

03/01/2026 To 03/13/2026

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
91875 3/11/26	CHK	99999	MARK PHILLIPS	Credit Balance Refund	13.00
91876 3/11/26	CHK	99999	PAUL V QUESNELL	Credit Balance Refund	199.12
91877 3/11/26	CHK	99999	JOHN R RANNO	Credit Balance Refund	200.00
91878 3/11/26	CHK	99999	ROBERT L ROBERTS	Credit Balance Refund	194.85
91879 3/11/26	CHK	99999	JONATHAN M ROMERO	Credit Balance Refund	85.38
91880 3/11/26	CHK	99999	ROBERTO SALAZAR	Credit Balance Refund	441.24
91881 3/11/26	CHK	99999	GLENDA L SCHMELZER	Credit Balance Refund	159.57
91882 3/11/26	CHK	99999	JANICE M SCOTT	Credit Balance Refund	275.00
91883 3/11/26	CHK	99999	IRENE L SOLIS	Credit Balance Refund	300.00
91884 3/11/26	CHK	99999	REBECCA L SOLL	Credit Balance Refund	300.00
91885 3/11/26	CHK	99999	LESTER D SOUSLEY	Credit Balance Refund	68.15
91886 3/11/26	CHK	99999	JAYMIE M WABAUNSEE	Credit Balance Refund	38.00
91887 3/11/26	CHK	99999	DEBRA L WEGNER	Credit Balance Refund	200.00
91888 3/11/26	CHK	99999	MARVIN R YORK	Credit Balance Refund	567.96
91889 3/11/26	CHK	99999	ESPERANZA G ZEPEDA	Credit Balance Refund	250.00
91890 3/11/26	CHK	32	CITY OF BENTON CITY	Occupation Tax	17,108.98
91891 3/11/26	CHK	962	PACIFIC POWER	Monthly Billing	487.25
91892 3/11/26	CHK	135	PROSSER, CITY OF	Occupation Tax	44,489.47
91893 3/11/26	CHK	141	RICHLAND, CITY OF	Occupation Tax	273.58

Total Payments for Bank Account - 2 : (70) 329,829.83

26

03/12/2026 7:28:07 AM

Accounts Payable Check Register

Page 14

03/01/2026 To 03/13/2026

Bank Account: 2 - BPUD Accounts Payable Warrants

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount	
					Total Voids for Bank Account - 2 :	(0) 0.00
					Total for Bank Account - 2 :	(70) 329,829.83
					Grand Total for Payments :	(142) 1,422,776.99
					Grand Total for Voids :	(0) 0.00
					Grand Total :	(142) 1,422,776.99

03/16/2026 9:10:26 AM

Accounts Payable Check Register

Page 15

ALL

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
7545 3/2/26	WIRE	2800	LL&P WIND ENERGY, INC.	Purchased Power	28,640.00
7547 3/6/26	WIRE	925	KLICKITAT COUNTY PUD	Transmission Revenue	4,026.64
7550 3/5/26	WIRE	169	ENERGY NORTHWEST	Purchased Power	42,486.75
				Fiber Lease	443.49
Total for Check/Tran - 7550:					42,930.24
7551 3/12/26	WIRE	2205	UNITED STATES TREASURY	Federal Income Tax	79,574.74
				Medicare - Employee	10,392.32
				Medicare - Employer	10,392.32
				Social Security - Employee	44,436.18
				Social Security - Employer	44,436.18
Total for Check/Tran - 7551:					189,231.74
7552 3/12/26	WIRE	171	WASH STATE DEPT RETIREMENT SYS	ER PERS	38,906.72
				PERS Plan 2	34,708.48
				PERS Plan 3A 5% All Ages	1,494.67
				PERS Plan 3B 5% Up to Age 35	213.00
				PERS Plan 3B 6% Age 35-45	160.42
				PERS Plan 3E 10% All Ages	1,528.78
Total for Check/Tran - 7552:					77,012.07
7553 3/13/26	WIRE	1567	MISSIONSQUARE RETIREMENT	457(b) Leave EE Contribution	919.00
				457(b) Roth EE Contribution	19,828.87
				ER Def Comp 401	21,600.94
				ER Def Comp 457	3,202.91
				Plan A 457(b) Employee Contribution	4,411.99
				Plan B 457(b) Employee Contribution	24,702.44
				Plan C 401(a) Option 1 EE Contribution	3,522.73
				Plan C 401(a) Option 2 EE Contribution	2,481.98
				Plan C 401(a) Option 3 EE Contribution	596.03
				Plan C 401(a) Option 4, Step 1 EE Contri	127.69
				Plan C 401(a) Option 4, Step 2 EE Contri	1,114.72

03/16/2026 9:10:26 AM

Accounts Payable Check Register

Page 16

ALL

Bank Account: 1 - Benton PUD ACH/Wire

Check / Tran Date	Pmt Type	Vendor	Vendor Name	Reference	Amount
				Plan C 401(a) Option 4, Step 3 EE Contri	2,479.26
				Plan C 401(a) Option 4, Step 4 EE Contri	1,261.64
				Plan C 401(a) Option 5, Step 4 EE Contri	1,731.84
				Plan C 457(b) Employee Contribution	6,471.48
				457 EE Loan Repayment #1	3,881.10
				457 EE Loan Repayment #2	679.39
				457 EE Loan Repayment #3	57.03
				457 EE Loan Repayment #4	71.97
				457 EE Loan Repayment #5	96.34
Total for Check/Tran - 7553:					99,239.35
Total Payments for Payment Type - WIRE:					(6) 441,080.04
Total Voids for Payment Type - WIRE:					(0) 0.00
Total for Payment Type - WIRE:					(6) 441,080.04
Total Payments for Bank Account - 1 :					(6) 441,080.04
Total Voids for Bank Account - 1 :					(0) 0.00
Total for Bank Account - 1 :					(6) 441,080.04
Grand Total for Payments :					(6) 441,080.04
Grand Total for Voids :					(0) 0.00
Grand Total :					(6) 441,080.04



BENTON PUD - RESIDENTIAL CONSERVATION REBATE DETAIL

<u>Date</u>	<u>Customer</u>	<u>Rebate Amount</u>	<u>Rebate Description</u>
02/26/2026	YUDIS CANAS-HERNANDEZ	\$ 50.00	Rebate - Clothes Dryer
03/05/2026	CHRISTOPHER WHITNEY	\$ 900.00	Rebate - Heat Pump Water Heater

\$ 950.00

03/16/2026 9:15:15 AM

ACCOUNTS PAYABLE CC/E-PAYMENT CHARGES

Page 18

ALL

CC/E-Payment Vendor: 3098 - US BANK CORPORATE PAYMENT SYSTEM

Tran	Date	Recon ID	Type	Credit Card/E-Payment	Vendor	Vendor Name	Merchant	Merchant Name	Reference	Amount
1391	02/09/2026	1113	Credit Card	51 - Power Management	2250	WELLER, ROXANNE K	2250	NEEA EFX	NEEA RF, MV & MW Regis	1,125.00
	01/28/2026	1113					2250	NEEC	BOC Credit Maintenance - R.	75.00
Total for Tran-1391:										1,200.00
1392	02/12/2026	1101	Credit Card	44 - Customer Service	2563	MAKI, KIMBERLEE R	2563	AMAZON MKTPL*BR4	Office Supplies	84.51
Total for Tran-1392:										84.51
1393	02/03/2026	1100	Credit Card	11 - Finance & Business Serv	1091	BLACKWELL, LURII	1091	WPTA	WPTA Annual Dues - Grand	50.00
	02/03/2026	1100					1091	WPTA	Conference Registration - Gra	439.15
	02/13/2026	1100					1091	AMAZON.COM*RI9SF9	Office Supplies	57.65
	01/21/2026	1100					1091	AMAZON MKTPL*FF4	Office Supplies	24.47
	01/22/2026	1100					1091	AMAZON MKTPLACE	Office Supplies	-25.84
	01/19/2026	1100					1091	AMAZON MKTPL*PL8	Office Supplies	42.37
Total for Tran-1393:										587.80
1394	01/20/2026	1106	Credit Card	31 - Operations	11093	BECKER, NICOLE M	11093	WSU MARKETPLACE	OPS - Pesticide Class Patrick/	180.00
	01/20/2026	1106					11093	WSU MARKETPLACE	OPS - Pesticide Class for Tha	120.00
	01/28/2026	1106					11093	TOTAL CARE CLINICS	OPS - CDL Med Certificate -	150.00
	02/03/2026	1106					11093	USPS PO 5440320336	OPS -Certified Mail for Radio	6.37
	02/03/2026	1106					11093	ODP BUS SOL LLC # 10	OPS Office Supplies	137.01
	02/04/2026	1106					11093	ODP BUS SOL LLC # 10	OPS Office Supplies	84.20
	01/21/2026	1106					11093	TOTAL CARE CLINICS	OPS Med Cert for Brown	150.00
	01/21/2026	1106					11093	WSU MARKETPLACE	Tietsort/Davis- 2026 WSU Pe	120.00
	01/21/2026	1106					11093	WSU MARKETPLACE	OPS - 2026 WSU Pesticide Cl	60.00
Total for Tran-1394:										1,007.58
1395	02/05/2026	1105	Credit Card	32 - Operations - Line Depart	10940	PURDOM, GABRIELLE J	10940	INT CONCRETE & ASP	GRAVEL	124.62
	02/05/2026	1105					10940	INT CONCRETE & ASP	GRAVEL	127.44
	02/05/2026	1105					10940	INT CONCRETE & ASP	GRAVEL	232.16
	02/05/2026	1105					10940	INT CONCRETE & ASP	GRAVEL	124.62
	02/05/2026	1105					10940	INT CONCRETE & ASP	GRAVEL	121.80
	02/05/2026	1105					10940	INT CONCRETE & ASP	GRAVEL	126.96
	02/05/2026	1105					10940	INT CONCRETE & ASP	GRAVEL	131.04
	02/05/2026	1105					10940	INT CONCRETE & ASP	GRAVEL	720.87
	02/05/2026	1105					10940	INT CONCRETE & ASP	GRAVEL	117.41
Total for Tran-1395:										1,826.92

03/16/2026 9:15:15 AM

Page 19

ACCOUNTS PAYABLE CC/E-PAYMENT CHARGES

ALL

CC/E-Payment Vendor: 3098 - US BANK CORPORATE PAYMENT SYSTEM

Tran	Date	Recon ID	Type	Credit Card/E-Payment	Vendor	Vendor Name	Merchant	Merchant Name	Reference	Amount
1396	02/04/2026	1114	Credit Card	ST10 - Storm Card #10	1654	CRAMER, BRIAN M	1654	62506 2173 USA GAS	Fuel	75.00
Total for Tran-1396:										75.00
1397	02/04/2026	1111	Credit Card	37 - Operations - (Support Sv	2026	KINTZLEY, ROY D	2026	O'REILLY 3630	credit, parts return	-208.31
	02/12/2026	1111					2026	ALTEC INDUSTRIES O	credit, parts return	-4,314.49
	02/01/2026	1111					2026	ALTEC INDUSTRIES O	credit, parts return	-3,124.41
	02/01/2026	1111					2026	O'REILLY 3630	credit, parts return	-241.54
	02/01/2026	1111					2026	O'REILLY 3630	credit, parts return	-203.91
	02/01/2026	1111					2026	JIMS PACIFIC GARAGE	credit, parts return	-98.89
	02/06/2026	1111					2026	CORWIN FORD TRI-CI	credit, parts return	-267.68
Total for Tran-1397:										-8,459.23

03/16/2026 9:15:15 AM

ACCOUNTS PAYABLE CC/E-PAYMENT CHARGES

Page 20

ALL

CC/E-Payment Vendor: 3098 - US BANK CORPORATE PAYMENT SYSTEM

Tran	Date	Recon ID	Type	Credit Card/E-Payment	Vendor	Vendor Name	Merchant	Merchant Name	Reference	Amount
1398	02/11/2026	1111	Credit Card	37 - Operations - (Support Sv	2026	KINTZLEY, ROY D	2026	ALTEC INDUSTRIES O	#171, bucket cover	95.29
	02/01/2026	1111					2026	SHERMAN+REILLY IN	TR1164, drum cables	1,034.82
	02/01/2026	1111					2026	O'REILLY 3630	#230, battery cable	241.54
	02/01/2026	1111					2026	O'REILLY 3630	#226, filter	41.39
	02/01/2026	1111					2026	JIMS PACIFIC GARAGE	#207, brake slack adjuster	99.74
	02/01/2026	1111					2026	LOWES #00249*	#230, cord connector	22.13
	02/01/2026	1111					2026	CORWIN FORD TRI-CI	#198, seat cover & pad	424.73
	02/01/2026	1111					2026	MOUNT'S LOCK & KE	key copies	20.67
	02/01/2026	1111					2026	O'REILLY 3630	#175, starter	291.41
	02/07/2026	1111					2026	VICS AUTO PARTS & S	Shop Tool, crow feet	80.38
	02/01/2026	1111					2026	AMAZON MKTPL*HU5	Deutsch connector kit	180.61
	02/05/2026	1111					2026	CORWIN FORD TRI-CI	#188, hose	267.68
	02/04/2026	1111					2026	O'REILLY 3630	#188, tie rod	135.18
	02/09/2026	1111					2026	CASADAY BEELINE S	#188, wheel alignment	138.37
	02/10/2026	1111					2026	MONARCH MACHINE	Mandrel bearings for foreman	1,088.56
	02/11/2026	1111					2026	O'REILLY 3630	shop tool, socket extension	15.22
	02/12/2026	1111					2026	O'REILLY 3630	#231, filter	6.51
	02/01/2026	1111					2026	DIRECT AUTO DIST PA	Ford antifreeze	221.04
	02/01/2026	1111					2026	O'REILLY 3630	#160, power steering hose & r	73.14
	02/09/2026	1111					2026	CENTRAL MACHINER	#226, trans dip stick	301.94
	02/01/2026	1111					2026	O'REILLY 3630	#213, cab filter	28.36
	02/04/2026	1111					2026	SOI*SNAP-ON INDUST	Tool, Modis software update	1,262.55
	02/10/2026	1111					2026	O'REILLY 3630	filters & safety gloves	124.63
	02/11/2026	1111					2026	O'REILLY 3630	#201, tire sensor	46.15
	02/01/2026	1111					2026	LOWES #00249*	#230, cord connector, receptic	60.30
	02/01/2026	1111					2026	O'REILLY 3630	batteries & filters	565.35
	02/10/2026	1111					2026	O'REILLY 3630	#141, coils & plugs	296.32
	02/05/2026	1111					2026	O'REILLY 3630	#188, coolant hose	109.82
	02/01/2026	1111					2026	ALTEC INDUSTRIES O	#189, Hyd pto & pump	4,235.74
	02/01/2026	1111					2026	O'REILLY 3630	filters & light bulb	70.82
	02/01/2026	1111					2026	O'REILLY 3630	#158, coolant hoses	74.51
	02/01/2026	1111					2026	BATTERIES PLUS #025	Tool battery	41.06
	02/01/2026	1111					2026	JIMS PACIFIC GARAGE	#207, slack adjuster	153.34
	02/10/2026	1111					2026	O'REILLY 3630	#141, filter	11.17
	02/03/2026	1111					2026	O'REILLY 3630	#140, canopy supports	32.73

03/16/2026 9:15:15 AM

**ACCOUNTS PAYABLE
CC/E-PAYMENT CHARGES**

Page 21

ALL

CC/E-Payment Vendor: 3098 - US BANK CORPORATE PAYMENT SYSTEM

Tran	Date	Recon ID	Type	Credit Card/E-Payment	Vendor	Vendor Name	Merchant	Merchant Name	Reference	Amount
	02/01/2026	1111					2026	ALTEC INDUSTRIES O	#189, spool valve	677.48
	02/01/2026	1111					2026	O'REILLY 3630	#230, cable & led worklight	751.10
	02/01/2026	1111					2026	ALTEC INDUSTRIES O	#189, hyd PTO	3,641.37
	02/01/2026	1111					2026	JIMS PACIFIC GARAGE	#170, air plumbing & shore p	208.31
	02/01/2026	1111					2026	O'REILLY 3630	#218, healight bulb	40.65
	02/03/2026	1111					2026	O'REILLY 3630	filters, safety gloves	324.32
	02/02/2026	1111					2026	SQ *CLUSTER FIX	#154, cluster repair	270.66
	02/04/2026	1111					2026	O'REILLY 3630	#188, tie rod end	141.17
	02/04/2026	1111					2026	SOI*SNAP-ON INDUST	Tool battery	92.14
	02/09/2026	1111					2026	AUTOBAHN AUTO CA	car washes	40.00
	02/01/2026	1111					2026	THE HOME DEPOT #47	#230, lighted plug & elec box	38.10
	02/01/2026	1111					2026	AMAZON MKTPL*M36	Lathe cutting tools	63.10
	02/02/2026	1111					2026	O'REILLY 3630	#161, crankcase filter	89.76
	02/01/2026	1111					2026	O'REILLY 3630	#160, coolant reservoir	70.71
	02/01/2026	1111					2026	ALTEC INDUSTRIES O	#189, hyd spool valves	4,314.49
	02/01/2026	1111					2026	O'REILLY 3630	#158, radiator	182.11
	02/01/2026	1111					2026	CORWIN FORD TRI-CI	#184, charge tube	91.48
	02/01/2026	1111					2026	SAFETY KLEEN SYSTE	used oil filter & antifreeze pic	660.24
	02/10/2026	1111					2026	IN *FREDDIES TRADIN	#234, box steps, step bars & s	3,400.98
	02/12/2026	1111					2026	O'REILLY 3630	coin batteries	26.09
	02/01/2026	1111					2026	JIMS PACIFIC GARAGE	#176, Radiator	1,043.71
	02/01/2026	1111					2026	WIRECARE INC.	#230, elec connector	30.82
	02/12/2026	1111					2026	GRIGGS ACE KENNEW	rat & mouse bait	61.98
	02/01/2026	1111					2026	O'REILLY 3630	#213, air filter	17.78
	02/02/2026	1111					2026	O'REILLY 3630	#161, stabilizer	60.75
	02/03/2026	1111					2026	O'REILLY 5992	Radiator caps & antifreeze	34.63
	02/01/2026	1111					2026	O'REILLY 3630	#160, power steering pump	129.06
	02/01/2026	1111					2026	WEST COAST ENERGY	micro site, block heater & oil	927.41
Total for Tran-1398:										29,323.60

03/16/2026 9:15:15 AM

ACCOUNTS PAYABLE CC/E-PAYMENT CHARGES

Page 22

ALL

CC/E-Payment Vendor: 3098 - US BANK CORPORATE PAYMENT SYSTEM

Tran	Date	Recon ID	Type	Credit Card/E-Payment	Vendor	Vendor Name	Merchant	Merchant Name	Reference	Amount
1399	01/21/2026	1112	Credit Card	39 - Operations - Warehouse	11216	WELLENBROCK, SARAH E	11216	NW POWER EQUIPME	Pull Rope & Labor	33.51
	01/21/2026	1112					11216	NW POWER EQUIPME	Gas for Stihl	65.43
	01/19/2026	1112					11216	AMAZON MKTPL*VX3	Fluke Meter Hanging Kit	128.24
	01/19/2026	1112					11216	GRAINGER	Socketbit	300.47
	01/19/2026	1112					11216	AMAZON MKTPL*VX3	Repair Tags	16.19
	01/19/2026	1112					11216	GRAINGER	Aerosal & Lubricant	556.84
	02/04/2026	1112					11216	UPS*1ZT9286V4291177	Shipment of Trade Event Mat	31.05
	01/27/2026	1112					11216	FREIGHTQUOTE BY C	Shipped Breaker for Z	490.25
	02/14/2026	1112					11216	UPS	Shipment of Trade Event mat	23.35
	02/14/2026	1112					11216	BURGER KING #14330	Food for call out	67.79
	01/20/2026	1112					11216	GRAINGER	Socketbit	38.90
	01/16/2026	1112					11216	WA ST DEPT AGRICUL	Harper WA State Dept of Ag	50.00
	02/10/2026	1112					11216	THE HOME DEPOT #47	Plumbing Materials Return	-32.43
	02/05/2026	1112					11216	THE HOME DEPOT #47	Plumbing Supplies	32.43
	01/16/2026	1112					11216	WA AGR*SERVICE FE	Harper WSDA Service Fee fo	1.50
	02/10/2026	1112					11216	ENERGY NORTHWEST	Dynamometer Calibration	1,116.00
	02/11/2026	1112					11216	NW POWER EQUIPME	14' Bar	121.83
	02/15/2026	1112					11216	UPS	Jodi Shipping Trade Event M	28.61
	02/11/2026	1112					11216	MUSTANG SIGNS	Receiving signage for WH	391.68
	01/21/2026	1112					11216	J HARLEN CO INC	Meter Knopp, Phase rotation	749.22
	02/10/2026	1112					11216	THE WEBSTAUANT S	Coffee Machine Bull Room	775.19
	01/21/2026	1112					11216	SP J.L. MATTHEWS CO.	20 Pocket Knives	797.58
	01/30/2026	1112					11216	HEARTSMART	AED Batteries	1,044.48
	01/22/2026	1112					11216	ZORO TOOLS INC	Lockback Knife	213.82
	01/21/2026	1112					11216	ZORO TOOLS INC	Screw Driver, Wrench, etc.	537.66
	02/11/2026	1112					11216	SP J.L. MATTHEWS CO.	15 Pocket Knives	572.93
	01/22/2026	1112					11216	NW POWER EQUIPME	Stihl Chainsaw	1,390.92
	01/27/2026	1112					11216	HOMEDEPOT.COM	Hand Truck	216.35
Total for Tran-1399:										9,759.79
1400	01/16/2026	1102	Credit Card	17 - Contracts & Purchasing	10976	BROWN, TYSON C	10976	USPS PO 5440320336	Shipping for Vendor Appreci	13.70
	01/16/2026	1102					10976	USPS PO 5440320336	Shipping for Vendor Apprecia	124.90
Total for Tran-1400:										138.60

03/16/2026 9:15:15 AM

ACCOUNTS PAYABLE CC/E-PAYMENT CHARGES

Page 23

ALL

CC/E-Payment Vendor: 3098 - US BANK CORPORATE PAYMENT SYSTEM

Tran	Date	Recon ID	Type	Credit Card/E-Payment	Vendor	Vendor Name	Merchant	Merchant Name	Reference	Amount
1401	01/26/2026	1103	Credit Card	21 - Engineering	10011	HIGHTOWER, ANNA M	10011	DOL - PROFESSIONAL	Berven - PE License Renewal	128.00
	01/28/2026	1103					10011	SCHWEITZER ENGINE	Mitchell - SEL INC Courses	1,650.00
	02/02/2026	1103					10011	THE HOME DEPOT #47	Prosser Vehicle Tools -Bolt C	198.91
Total for Tran-1401:										1,976.91
1402	01/26/2026	1099	Credit Card	01 - Executive	11080	SENSIBAUGH, SHANNON	11080	NWPPA	NWPPA Job Ad (GIS) - Mell	135.00
	01/16/2026	1099					11080	WORLDATEWORK	World@Work Membership -	275.00
	01/27/2026	1099					11080	SOCIETYFORHUMANR	SHRM Membership - George	299.00
	01/19/2026	1099					11080	WASHINGTON PUD AS	WPUDA Feb Mtg Reg - Hall	25.00
	01/19/2026	1099					11080	CBSHRM	Jan SHRM Mtg Reg - Dunlap	30.00
	02/04/2026	1099					11080	PAYPAL *IIMC	Ethical Decision-Making Cou	85.00
	02/12/2026	1099					11080	LINKEDIN JOB P110760	LinkedIn Job Post - Eng Tech	544.00
	01/31/2026	1099					11080	LINKEDIN JOB P108350	LinkedIn Job Post - GIS	544.00
	02/02/2026	1099					11080	ODP BUS SOL LLC # 10	Office Supply Order - Sensiba	144.10
	01/29/2026	1099					11080	PERFECT GIFT LLC CA	EmPOWERed Monthly Incen	354.35
	01/31/2026	1099					11080	ODP BUS SOL LLC # 10	Office Supply Order - Sensiba	21.86
	01/20/2026	1099					11080	SOCIETYFORHUMANR	SHRM Membership - Dunlap	299.00
	01/19/2026	1099					11080	AMAZON MKTPL*0T2	Frames for Admin Bldg - Sid	130.55
	02/15/2026	1099					11080	DD*THEVILLAGEBIST	Negotiations (Joint) Lunch 2/	480.19
	02/04/2026	1099					11080	MRSC.ORG	OPMA Essentials Training Re	50.00
	02/07/2026	1099					11080	LINKEDIN JOB P109744	LinkedIn Job Post - Eng Tech	544.00
	01/31/2026	1099					11080	FACEBK *FDKSNADB3	Social Media Boost - Dahl	9.63
	02/04/2026	1099					11080	D J*WSJ	Wall Street Journal - Sanders	42.42
	01/19/2026	1099					11080	WASHINGTON PUD AS	WPUDA Feb Mtg Reg - Mass	25.00
	01/29/2026	1099					11080	JURASSICPARLIAMEN	Minutes & Role of Clerk Reg	94.66
	02/02/2026	1099					11080	LINKEDIN RECRUITER	LinkedIn Recruiter - Melling	184.95
	01/19/2026	1099					11080	WASHINGTON PUD AS	WPUDA Feb Mtg Reg - Hen	25.00
	01/16/2026	1099					11080	CBSHRM	January SHRM Reg - Melling	30.00
	02/15/2026	1099					11080	FACEBK*9B5PMCMA3	Social Media Ads - Dahl	220.86
	02/02/2026	1099					11080	PAYPAL *WASHINGT	WMCA Annual Conference -	495.00
	02/15/2026	1099					11080	LINKEDIN JOB	LinkedIn Job Post - Eng Tech	571.20
Total for Tran-1402:										5,659.77

03/16/2026 9:15:15 AM

**ACCOUNTS PAYABLE
CC/E-PAYMENT CHARGES**

Page 24

ALL

CC/E-Payment Vendor: 3098 - US BANK CORPORATE PAYMENT SYSTEM

Tran	Date	Recon ID	Type	Credit Card/E-Payment	Vendor	Vendor Name	Merchant	Merchant Name	Reference	Amount
1403	02/13/2026	1110	Credit Card	36 - Operations - Maintenananc	10608	PATRICK, GEORGE M	10608	THE HOME DEPOT #47	insulation	140.35
	02/06/2026	1110					10608	THE HOME DEPOT #47	plumbing parts	37.62
	01/22/2026	1110					10608	THE HOME DEPOT #47	connectors	21.42
	02/05/2026	1110					10608	THE HOME DEPOT #47	drywall and paint	76.91
	01/22/2026	1110					10608	AMAZON MKTPL*LV1	soap dispensers	117.75
	02/03/2026	1110					10608	AMAZON MKTPL*ZC8	endoscope camera	50.26
	02/05/2026	1110					10608	GIH*GLOBALINDUST	hydraulic moving dolly	1,316.43
	01/27/2026	1110					10608	THE HOME DEPOT 473	cord ends	80.57
	01/15/2026	1110					10608	SP WASTE OIL PARTS	pump motor transformer shop	264.95
	02/02/2026	1110					10608	(PC) 3627 CED	lighting fixtures LED	861.70
	01/15/2026	1110					10608	AMAZON MKTPL*OK5	lps lube	189.31
	02/03/2026	1110					10608	GRIGGS ACE KENNEW	fasteners	27.03
	02/11/2026	1110					10608	LOWES #00249*	insulation	129.47
	02/10/2026	1110					10608	THE HOME DEPOT #47	pvc caps	6.79
	01/21/2026	1110					10608	AMAZON MKTPL*2A0	soap dispensers	134.52
	02/05/2026	1110					10608	THE HOME DEPOT #47	2x2s and screws	13.94
	02/04/2026	1110					10608	THE HOME DEPOT #47	plumbing/valve	16.84
	02/09/2026	1110					10608	THE HOME DEPOT #47	braided hose	8.53
	02/03/2026	1110					10608	AMAZON MKTPLPLACE	pump motor transformer shop	-284.95
	01/23/2026	1110					10608	SHERWIN-WILLIAMS7	paint	210.64
	02/11/2026	1110					10608	THE HOME DEPOT #47	pvc cap	3.21
	02/09/2026	1110					10608	THE HOME DEPOT #47	aerators	25.48
	01/21/2026	1110					10608	THE HOME DEPOT #47	paint supplies	111.24
Total for Tran-1403:										3,560.01
1404	02/03/2026	1109	Credit Card	38 - Operations - Support Svc	10656	FLEENOR, RYAN A	10656	THE HOME DEPOT #47	TriFold Door parts	7.04
	02/06/2026	1109					10656	THE HOME DEPOT #47	Painting accessories	63.31
	02/11/2026	1109					10656	THE HOME DEPOT #47	Pavers	42.37
	01/29/2026	1109					10656	THE HOME DEPOT #47	Batteries	47.59
	02/05/2026	1109					10656	GRAINGER	Belts	37.30
	01/22/2026	1109					10656	PLATT ELECTRIC 006	Propane refill	48.95
	01/20/2026	1109					10656	THE HOME DEPOT #47	Electrical Accessories - Wire	107.51
	02/04/2026	1109					10656	GRIGGS ACE KENNEW	Flange Split 1/2" ring	5.43
	02/10/2026	1109					10656	THE HOME DEPOT #47	Driveway solar lights	108.47
Total for Tran-1404:										467.97

03/16/2026 9:15:15 AM

ACCOUNTS PAYABLE CC/E-PAYMENT CHARGES

Page 25

ALL

CC/E-Payment Vendor: 3098 - US BANK CORPORATE PAYMENT SYSTEM

Tran	Date	Recon ID	Type	Credit Card/E-Payment	Vendor	Vendor Name	Merchant	Merchant Name	Reference	Amount
1405	01/19/2026	1108	Credit Card	35 - Operations - Transforme	10427	DAVIS, ROBERT J	10427	TACOMA SCREW PRO	wire nuts, discs, blade, misc. r	692.27
	01/29/2026	1108					10427	FRED-MEYER #0163	distilled water for battery mai	19.45
	01/15/2026	1108					10427	FRED-MEYER #0163	sandwich bags for xfmr barco	5.21
	02/02/2026	1108					10427	TACOMA SCREW PRO	nuts bolts washers shop stock	81.66
	01/19/2026	1108					10427	THE HOME DEPOT #47	marking tape for xfmr identifi	17.33
	02/12/2026	1108					10427	THE HOME DEPOT #47	cutting pliers, flood light - tru	140.32
	02/05/2026	1108					10427	THE HOME DEPOT 473	conduit, outlets, etc. shop stoc	92.84
	01/19/2026	1108					10427	OFFICE DEPOT #962	colored dot stickers for xfmr i	24.57
	01/15/2026	1108					10427	BATTERIES PLUS #025	spare batteries for fiber router	369.81
	01/26/2026	1108					10427	TACOMA SCREW PRO	discs, blades, fittings, misc. re	722.61
	02/03/2026	1108					10427	AMAZON MARK* FG5	paint thickness gauge	51.67
	01/15/2026	1108					10427	GRAINGER	nylon connector shop stock	261.32
	02/02/2026	1108					10427	TACOMA SCREW PRO	shop stock comb drill taps	574.68
Total for Tran-1405:										3,053.74
1406	02/11/2026	1107	Credit Card	34 - Operations - Meter Shop	2611	SUNFORD, RICKY L	2611	(PC) 3627 CED	Nut driver and stripper	142.11
	02/02/2026	1107					2611	PLATT ELECTRIC 006	Ground wire for TGB	58.71
	01/26/2026	1107					2611	TACOMA SCREW PRO	Fender washers for unistrat fr	45.02
	02/02/2026	1107					2611	TACOMA SCREW PRO	hardware for meter base fram	366.91
	02/09/2026	1107					2611	GRAINGER	Simpson Volt meter	710.87
	01/20/2026	1107					2611	AMAZON RETA* V90J3	wire labels	456.56
	01/20/2026	1107					2611	AMAZON RETA* SD0H	wire labels	456.56
	01/27/2026	1107					2611	AMAZON RETA* TM8L	DB9 Cable for scada upgrade	19.76
	01/29/2026	1107					2611	AMAZON MKTPL*S20P	DB 9 cables for Scada upgrad	83.13
	01/19/2026	1107					2611	TACOMA SCREW PRO	Mounting pads for scada upgr	228.27
	01/21/2026	1107					2611	THE HOME DEPOT 473	Measuring wheel	81.57
	01/19/2026	1107					2611	TACOMA SCREW PRO	Washers, hardware	24.81
Total for Tran-1406:										2,674.28

03/16/2026 9:15:15 AM

ACCOUNTS PAYABLE CC/E-PAYMENT CHARGES

Page 26

ALL

CC/E-Payment Vendor: 3098 - US BANK CORPORATE PAYMENT SYSTEM

Tran	Date	Recon ID	Type	Credit Card/E-Payment	Vendor	Vendor Name	Merchant	Merchant Name	Reference	Amount
1407	02/10/2026	1104	Credit Card	15 - IT Infrastructure	3259	CRUM, DUANE P	3259	NWPPA	Crum/Scott - NWPPA IT Con	2,180.00
	02/10/2026	1104					3259	NWPPA	Holbrook - NWPPA IT Confe	1,090.00
	02/04/2026	1104					3259	GREETLY	Greetly Monthly Subscription	179.00
	01/21/2026	1104					3259	PHASE 3 MEDIA LLC	Sag10 Renewal 26'	1,200.00
	02/02/2026	1104					3259	RLH INDUSTRIES, INC	Fiber Cable Assembly Kit	416.00
	01/17/2026	1104					3259	AMAZON MKTPL*DF7	BB Core Network - Cables &	261.09
	02/05/2026	1104					3259	FS *RAPS	Royal TS v7 and v6 (Scott)	140.36
	01/19/2026	1104					3259	AMAZON.COM*XM6X	Velcro Strips	17.54
	01/21/2026	1104					3259	APPLE.COM/US	iPad keyboard	347.07
	02/03/2026	1104					3259	SALESFORCE26*TC26	Sawyer - Tableau Conference	699.00
	01/20/2026	1104					3259	AMAZON.COM*7X0PT	BB Core Network - Cables	43.82
	01/20/2026	1104					3259	AMAZON MKTPL*JX9	Ethernet Patch Cable	17.55
	01/20/2026	1104					3259	1PASSWORD	1Password - New User	8.75
	02/11/2026	1104					3259	AMAZON MKTPL*QO2	(5)2 pack USB A/C charger	89.60
	02/05/2026	1104					3259	FS *RAPS	Royal TS v7 (Bonney)	70.73
	01/21/2026	1104					3259	APPLE.COM/US	Apple Pencil	140.35
	02/04/2026	1104					3259	AMAZON MKTPL*081	64 GB Desktop Memory (Dah	814.91
	02/03/2026	1104					3259	AMAZON MKTPL*VP8	Wall Plate Cable Pass Throug	7.22
	01/29/2026	1104					3259	AMAZON MKTPL*J60P	iPad 11 inch screen protectors	19.56
	01/26/2026	1104					3259	GLOBALKNOWLEDGE	DeFord - VMWare Training	3,930.40
	02/13/2026	1104					3259	OPENAI *CHATGPT SU	ChatGPT 26' Annual Renewal	16,664.95
	01/21/2026	1104					3259	APPLE.COM/US	iPad 13 256GB	1,141.31
	01/18/2026	1104					3259	COURSERA.ORG	McMahon - CourseRa Machi	53.31
	01/20/2026	1104					3259	FS COM INC	Fiber patch cables	125.87
	01/15/2026	1104					3259	AMAZON MKTPL*NM2	Screen Cleaner spray	21.74
	01/23/2026	1104					3259	SPECTRUM	Backup Internet	139.99
Total for Tran-1407:										29,820.12

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ACCOUNTS PAYABLE CC/E-PAYMENT CHARGES

Page 27

ALL

CC/E-Payment Vendor: 3098 - US BANK CORPORATE PAYMENT SYSTEM

Tran	Date	Recon ID	Type	Credit Card/E-Payment	Vendor	Vendor Name	Merchant	Merchant Name	Reference	Amount
1408	01/19/2026	1115	Credit Card	TRAV - Travel Card	1017	NEWELL, PAULA A	1017	AGENT FEE 0277240104	Massey - WPUDA Agent Fee	37.00
	01/15/2026	1115					1017	ALASKA AIR 02772401	Folta - TechAdvantage Conf	573.40
	01/21/2026	1115					1017	AGENT FEE 006724010	Szendre-TechAdvantage&Po	37.00
	01/19/2026	1115					1017	AGENT FEE 0277240104	Hall - WPUDA Agent Fee	37.00
	02/12/2026	1115					1017	RES* BESTWESTER	Fraudulent Charge	595.91
	01/15/2026	1115					1017	ALASKA AIR 02772401	Dunn - NWRP Strategic Plan	496.40
	01/19/2026	1115					1017	DELTA AIR 0067240104	Grad - TechAdvantage&Powe	1,108.60
	01/19/2026	1115					1017	AGENT FEE 0067240104	Grad - TechAdvantage&Powe	37.00
	02/13/2026	1115					1017	ENTERPRISE RENT A	Massey - WPUDA Car Rental	300.16
	01/16/2026	1115					1017	SHERATON	Harper- PCB Mgmt/Enviro T	553.32
	01/19/2026	1115					1017	ALASKA AIR 02772401	Hall - WPUDA Airfare	336.80
	01/15/2026	1115					1017	AGENT FEE 027724010	Holbrook - TechAdvantage C	37.00
	01/19/2026	1115					1017	ALASKA AIR 02772401	Massey - WPUDA Airfare	336.80
	01/15/2026	1115					1017	AGENT FEE 890089357	Massey - TEA Symposium A	15.00
	01/21/2026	1115					1017	DELTA AIR 006724010	Szendre-TechAdvantage&Po	963.59
	02/12/2026	1115					1017	ENTERPRISE RENT-A-	Henderson - WPUDA Car Re	285.00
	01/17/2026	1115					1017	ENTERPRISE RENT-A-	Hall - WPUDA Car Rental	172.03
	01/15/2026	1115					1017	AGENT FEE 027724010	Dunn - NWRP Strategic Plan	37.00
	01/15/2026	1115					1017	ENTERPRISE RENT-A-	Henderson - WPUDA Car Re	146.17
	01/15/2026	1115					1017	ALASKA AIR 02772401	Holbrook - TechAdvantage C	573.40
	01/15/2026	1115					1017	AGENT FEE 027724010	Folta - TechAdvantage Conf	37.00
Total for Tran-1408:										6,715.58
Total Charges for CC/E-Payment Vendor - 3098: (18)										89,472.95
Total Voids for CC/E-Payment Vendor - 3098: (0)										0.00
Total for CC/E-Payment Vendor - 3098: (18)										89,472.95
Grand Total for Charges: (18)										89,472.95
Grand Total for Voids: (0)										0.00
Grand Total:(18)										\$ 89,472.95



COMMISSION AGENDA ACTION FORM

Meeting Date:	March 24, 2026	
Subject:	Quit Claim – Benton County	
Authored by:	Tina Glines	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/Asst GM
Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
<input checked="" type="checkbox"/> Consent Agenda <input type="checkbox"/> Business Agenda <input type="checkbox"/> Public Hearing <input type="checkbox"/> Other Business	<input checked="" type="checkbox"/> Pass Motion <input type="checkbox"/> Pass Resolution <input type="checkbox"/> Contract/Change Order <input checked="" type="checkbox"/> Sign Letter / Document <input type="checkbox"/> Decision / Direction <input type="checkbox"/> Info Only <input type="checkbox"/> Info Only/Possible Action <input type="checkbox"/> Presentation Included	

Motion for Commission Consideration:

Motion to approve a Quit Claim Deed releasing an easement recorded under Auditor’s File Number 369996 affecting parcel 1-0189-4BP-5730-002, at the request of the current property owner.

Background/Summary

A 10-foot utility easement affecting parcel 1-0189-4BP-5730-002 was recorded on March 21, 1957, under Auditor’s File Number 369996. The facilities formerly associated with this easement no longer exist, and the District has no current or future operational need for the easement.

The existing easement is encumbering the property and creating an obstacle to the owner’s planned future development. Benton County will coordinate with the District to secure any new easements necessary to extend electric service to the development.

Recommendation

The property owner has requested that Benton PUD execute a Quit Claim Deed to release the previously recorded utility easement. Approval of the quit claim would remove an unnecessary encumbrance from the property while preserving the District’s ability to obtain any needed utility easements for future service extensions.

Fiscal Impact

In accordance with District policy, the developer will pay the \$500 recording fee for the Quit Claim Deed. Therefore, there is no net fiscal impact to Benton PUD.

Projects to be Presented at the Benton PUD

Commission Meeting On

March 24, 2026

Project Name: Quit Claim - Benton County

WO#: N/A

Location: 8th and Auburn, Kennewick, WA

Justification: The easement recorded in 1957 is no longer needed for District facilities and is currently encumbering the property from future development. Benton County has agreed to provide all necessary easements required to extend electrical facilities to new development on the property ensuring the District retains appropriate access, operation, and maintenance rights. Executing the quit claim removes an unnecessary encumbrance while preserving District interests.

Location Map



Return To: Benton P.U.D.
PO Box 6270
Kennewick, WA 99336

QUIT CLAIM DEED

The Grantor: PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, WASHINGTON for and in consideration of Mutual Covenants and Other Valuable Consideration, conveys and quit claims to OWNERS OF RECORD, the following described real estate, situated in the County of Benton, State of Washington:

Assessor's Property Tax Parcel Acct. #: 1-0189-4BP-5730-002

DESCRIPTION:

Beginning at the Southeast corner of Section 1, T 8 N, R 29 E, W.M. THENCE North 0°22' East along the East line of said Section a distance of 30.0', THENCE West bearing North 88°27'30" West parallel with the South line of said Section a distance of 765.73' THENCE North 0°22' East a distance of 494.0' to the true point of beginning THENCE AN Easement five (5) feet on either side of a center line extending West bearing North 88°32' West a distance of 120.0'

This deed is given as a conveyance and abandonment of all right, title and interest in the above-described property as acquired under that certain *easement* of record under Auditor's File Number # 369996, Records of Benton County, Washington.

Dated this ____ day of _____, 20__

PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, WASHINGTON

BY: _____
President

ATTEST: _____
Secretary

ACKNOWLEDGEMENT OF CORPORATION

STATE OF WASHINGTON

County of _____ } ss.

On this _____ day of _____, 20__, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, certify that I know or have satisfactory evidence that _____ and _____ known to me to be the President and Secretary of the Commission of *Public Utility District No. 1 of Benton County* and said person(s) acknowledged that he/they signed this instrument as his/their free and voluntary act for the uses and purposes mentioned in the instrument.

Witness my hand an official seal hereto affixed the day and year first above written.



Notary Signature _____

My Commission Expires _____

NOTARY SEAL-Recordable Document, please follow RCW 65.04

COMMISSION AGENDA ACTION FORM

Meeting Date:	March 24, 2026	
Subject:	Work Order 731506 – Urban Trails Phase 2	
Authored by:	Tina Glines	Staff Preparing Item
Presenter:	Michelle Ness	Staff Presenting Item (if applicable or N/A)
Approved by:	Even Edwards	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager/Asst GM

Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
<input checked="" type="checkbox"/> Consent Agenda	<input checked="" type="checkbox"/> Pass Motion	<input type="checkbox"/> Decision / Direction
<input type="checkbox"/> Business Agenda	<input type="checkbox"/> Pass Resolution	<input type="checkbox"/> Info Only
<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Contract/Change Order	<input type="checkbox"/> Info Only/Possible Action
<input type="checkbox"/> Other Business	<input type="checkbox"/> Sign Letter / Document	<input type="checkbox"/> Presentation Included

Motion for Commission Consideration:

Motion approving work order 731506 - Urban Trails Phase 2.

Background/Summary

Developer requested underground electric facilities necessary to serve ten duplexes in the Urban Trails Phase 2 development south of Bob Olson Parkway in Kennewick, WA. The construction of underground electric facilities is necessary for the developer to prepare the land for development.

This work order also includes District costs for the installation of feeder conduit and vaults in preparation for a future main feeder and fiber route along Ridgeline Drive east of Clodfelter Rd., east towards the District's Future Ridgeline Substation site.

Recommendation

Approval of work order 731506 will authorize the construction of underground electric facilities necessary to serve twenty lots (ten duplexes) and meet the initial request for electric service by the developer of the Urban Trails phase 2 development as well as establish a feeder and fiber pathway for anticipated load growth.

Fiscal Impact

The estimated project cost is \$202,233.40. The developer contribution in aid to construction (CIAC) is \$115,712.66. The District will provide a line extension credit for transformer expenses of \$1,187.67 and cover the estimated travel expenses of \$4,286.72. The District will fund the installation of primary conduit and vaults along the Ridgeline Drive frontage extension to accommodate a future feeder tie, at an estimated cost of \$68,767.40. The District will also fund the installation of fiber conduit at an estimated cost of \$12,278.95. District costs not paid by the developer are included in the Customer Base Growth portion of the annual budget.

Projects to be Presented at the Benton PUD

Commission Meeting On

March 24, 2026

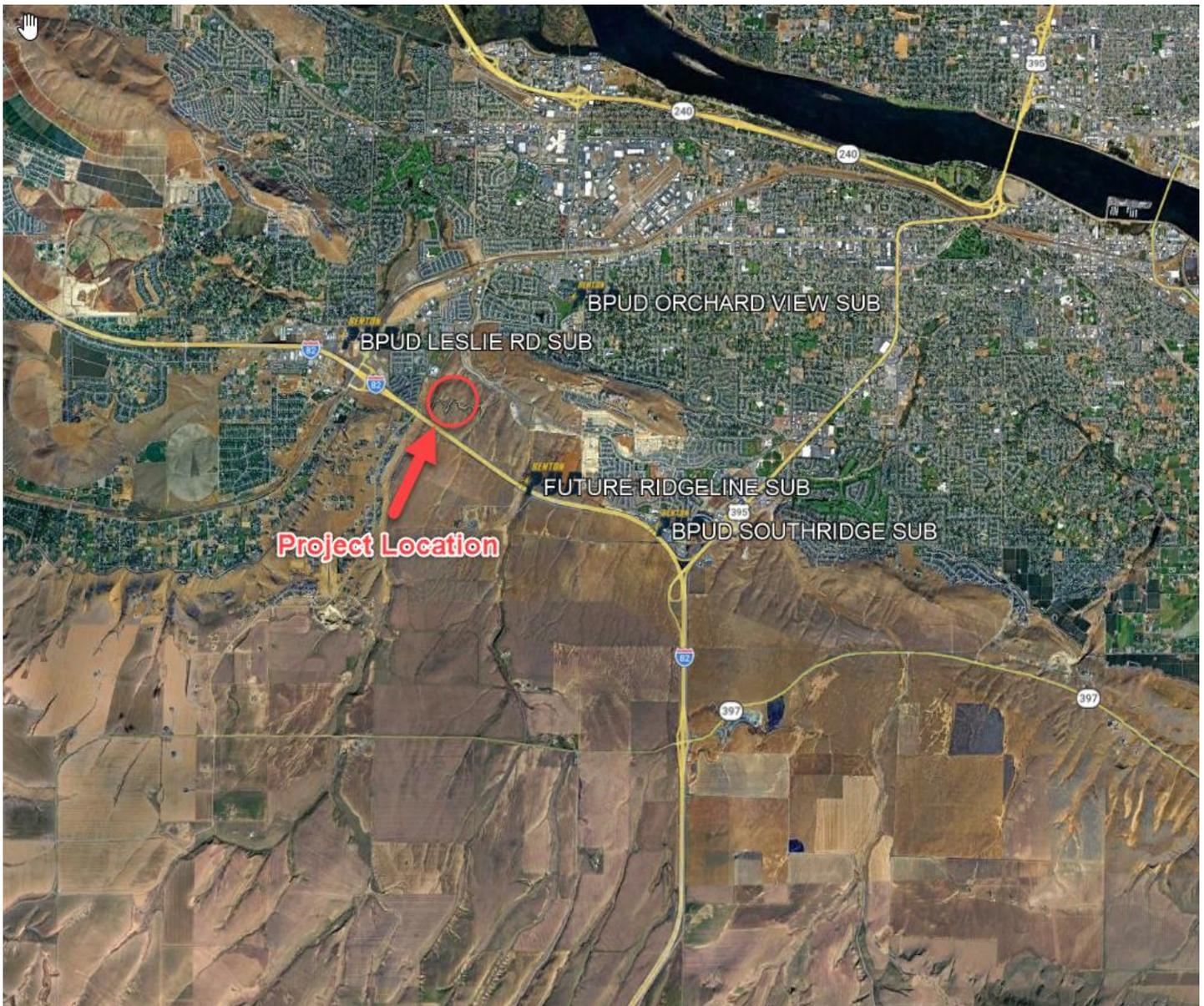
Project Name: Urban Trails Phase 2

WO#: 731506

Location: South of Bob Olson Parkway, East Clodfelter

Justification: Developer request to develop land and install power facilities.

Location Map





COMMISSION AGENDA ACTION FORM

Meeting Date:	March 24 th 2026	
Subject:	Contract Change Order #12 – Benton County Emergency Services (BCES) Contract #16-33-02	
Authored by:	Duane Szendre	Staff Preparing Item
Presenter:	Duane Szendre	Staff Presenting Item (if applicable or N/A)
Approved by:	Steve Hunter	Dept. Director/Manager
Approved for Commission:	Rick Dunn 	General Manager
Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
<input checked="" type="checkbox"/> Consent Agenda <input type="checkbox"/> Business Agenda <input type="checkbox"/> Public Hearing <input type="checkbox"/> Other Business	<input checked="" type="checkbox"/> Pass Motion <input type="checkbox"/> Pass Resolution <input checked="" type="checkbox"/> Contract / Change Order <input type="checkbox"/> Sign Letter / Document <input type="checkbox"/> Decision / Direction <input type="checkbox"/> Info Only <input type="checkbox"/> Info Only/Possible Action <input type="checkbox"/> Presentation Included	

Motion for Commission Consideration:

Motion to authorize the General Manager on behalf of the District to sign Change Order #12 of Contract #16-33-02 with Benton County Emergency Services (BCES), to increase the not-to-exceed amount by \$47,770.12; bringing the new not-to-exceed amount to \$381,132.84 and extending the term to April 30, 2027.

Background/Summary

The District has contracted with BCES, which has owned and maintained the 800 MHz radio system since 1997. This communication system is used by several Benton and Franklin County agencies for public safety. The total number of radios on the 800 MHz system is 1,151.

The District has 75 radios on the 800 MHz system that are used for communication between our dispatchers and crews, as well as for crew-to-crew communication in the field, especially where cell service is unreliable.

This access can be vital during emergencies and for outage response. Recently, the District installed six new radios in Engineering as part of our Emergency Response and Restoration Plan and added six more radios for use by the Executive Team.

Recommendation

I recommend a change order #12 to increase the amount of the contract purchase order by \$47,770.12, bringing the new not-to-exceed amount to \$381,132.84 and extending the term to April 30th, 2027.

Fiscal Impact

The user fee for 2026 is \$48.83 per month per device, and the District has 75 units. Funds have been budgeted in Department 33.



COMMISSION AGENDA ACTION FORM

Meeting Date:	March 24, 2026	
Subject:	Contract Award – 2026 Foundation for Water & Energy Education Interlocal Agreement – Contract #26-12-04	
Authored by:	Jodi Henderson	Staff Preparing Item
Presenter:	Jodi Henderson	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: <i>(Multiple boxes can be checked, if necessary)</i>	
<input checked="" type="checkbox"/> Consent Agenda	<input checked="" type="checkbox"/> Pass Motion	<input type="checkbox"/> Decision / Direction
<input type="checkbox"/> Business Agenda	<input type="checkbox"/> Pass Resolution	<input type="checkbox"/> Info Only
<input type="checkbox"/> Public Hearing	<input checked="" type="checkbox"/> Contract / Change Order	<input type="checkbox"/> Info Only/Possible Action
<input type="checkbox"/> Other Business	<input type="checkbox"/> Sign Letter / Document	<input type="checkbox"/> Presentation Included

Motion for Commission Consideration:

Motion authorizing the General Manger on behalf of the District to sign in substantially the form presented an Interlocal Cooperative Agreement with Benton Conservation District, Franklin Conservation District, City Of Richland, Public Utility District No. 1 Of Franklin County, Energy Northwest, Kennewick School District, and ESD 123, Contract #26-12-04, to hold the 2026 FWEE Tri-Cities STEM Career Academy June 22, 2026, through June 25, 2026.

Background/Summary

The Foundation for Water & Energy Education (FWEE) developed a student Academy to educate high-school aged students about careers in hydropower. During the Academy students learned from industry leaders, participated in hand-on experiences to promote careers in STEM, and earned college credits.

In 2022, Benton PUD and Benton Conservation District approached FWEE about the possibility of expanding the Academy to the Tri-Cities. FWEE was excited to partner with both organizations and other partners in the community. As the academy was expanded to the Tri-Cities, the career offerings were expanded to include agriculture, and nuclear technology.

This will be the fourth year Benton PUD, along with partners in the community will host the Academy in the Tri-Cities.

Each organization will provide the following:

- Benton Conservation District: Staff time for recruitment and program support.
- City of Richland: Staff time for recruitment and program support and contribute a estimated \$1,000 towards drones.

- Energy Northwest: Staff time for recruitment and program support, facilitate the nuclear technology session, and procurement of twenty-five (25) hard hats and safety glasses.
- ESD 123: Program support and recruitment, including distribution of marketing materials to each district served by ESD 123. Facilitate the Career Pathway sessions throughout the week.
- Franklin Conservation District: Staff time for recruitment and program support, facilitate the agriculture session, contribute twenty-five (25) binders, lanyard, and safety vests, and secure an estimated \$15,000 grant funding from WA Grain Commission.
- Public Utility District No. 1 of Franklin County: Staff time for recruitment and program support, work with Grant PUD to facilitate the EV car challenges, and contribute an estimated \$1000.
- Kennewick School District: Staff time for recruitment and program support.

Recommendation

Recommend the District enter an Interlocal Cooperative Agreement with Benton Conservation District, City of Richland, Energy Northwest, ESD 123, Franklin Conservation District, Franklin PUD, Kennewick School District to hold the fourth annual STEM Career Academy (Academy) from Monday, June 22, 2026, to Thursday, June 25, 2026, at UA Local 598 Plumbers and Steamfitters in Pasco.

Fiscal Impact

There is no fiscal impact. By signing the Interlocal Cooperative Agreement, the District will have the authority to participate in planning, marketing, and executing the Academy in the Tri-Cities.



Contract #26-12-04

**INTERLOCAL COOPERATIVE AGREEMENT FOR
FOUNDATION FOR WATER & ENERGY EDUCATION
TRI-CITIES STEM CAREER ACADEMY**

BY THIS INTERLOCAL COOPERATIVE AGREEMENT, hereinafter referred to as the “Agreement”, entered into this 24th day of March, 2026, between the **PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, WASHINGTON**, a municipal corporation of the State of Washington, hereinafter referred to as the “District”, and the **BENTON CONSERVATION DISTRICT, WASHINGTON, FRANKLIN CONSERVATION DISTRICT, WASHINGTON, CITY OF RICHLAND, WASHINGTON, PUBLIC UTILITY DISTRICT NO. 1 OF FRANKLIN COUNTY, WASHINGTON, ENERGY NORTHWEST, WASHINGTON KENNEWICK SCHOOL DISTRICT, WASHINGTON, AND ESD 123, WASHINGTON** hereinafter referred to as “Partners”, and collectively referred to as “Parties”, enter into the following agreement:

RECITALS

WHEREAS, Chapter 39.34, RCW (Interlocal Cooperation Act) permits local government units to make the most efficient use of their powers by enabling them to cooperate with other localities and thereby to provide services and facilities in a manner that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities; and

WHEREAS, the Foundation for Water & Energy Education (FWEE) has partnered with Chelan PUD to host a career academy in Wenatchee designed to educate high-school students about STEM careers and specifically careers in hydropower, by engaging industry leaders as speakers, facilitating hands-on experiences related to STEM careers, and providing participants with college credits; and

WHEREAS, the academy has been very successful since its inception in 2015 and the goal has been to expand the program and offer to other communities throughout the state; and

WHEREAS, the District and Benton Conservation District approached FWEE about the possibility of bringing the career academy to the Tri-Cities in 2022; and

WHEREAS, the District worked with the Partners to plan, promote, and host a FWEE Tri-Cities STEM Career Academy in to educate high-school students about STEM careers; and

WHEREAS, the District plans to work with the Partners to plan, promote, and host a FWEE Tri-Cities STEM Career Academy in 2026 to educate high-school students about careers in energy, agriculture and STEM; and



Contract #26-12-04

WHEREAS, the District has contracted with FWEE to assist with program development, student registration, and to serve as the fiscal agent and purchaser for the event.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the Parties agree as follows:

AGREEMENT

IT IS HEREBY AGREED AS FOLLOWS:

1. Term of Agreement. This Agreement shall commence on the date it is signed by the Parties and continue in effect until June 31, 2026, unless sooner terminated as hereinafter provided, or modified by written amendment signed by both parties.
2. Further Agreements. The Parties shall execute a Memorandum of Understanding (“MOU”) or separate agreement setting forth the undertaking of each Party, including other participants who are not otherwise Parties to this Agreement, for the particular collaborative effort. Each of the Parties must approve and authorize the execution of the MOU or separate agreement before the undertaking will be binding upon the Parties. Such MOU or separate agreement shall be attached hereto and incorporated by reference as Exhibit A.
3. Insurance. Each Party shall maintain its membership in a self-insurance program (“self-insurance”) or maintain a commercial general liability insurance policy with an insurer acceptable to the District, insuring against any and all claims for injury to or death of persons and loss of or damage to property arising from an act or omission of a Party or any of its agents, employees, contractors, and representatives. Such self-insurance or insurance shall have liability limits of \$1 million combined single limit for bodily injury and property damage per occurrence and in the aggregate.

Within ten (10) days of the effective date of this Agreement, the Parties shall provide to the District a copy of the insurance policies, agreement, or certificates evidencing the aforesaid insurance coverage required above. Renewal certificates and any changes in terms shall be furnished to the District for approval at least thirty (30) days prior to the expiration date of each policy for which a certificate was theretofore furnished.

4. Exchange of Information/Confidentiality. The Parties may exchange information as needed to facilitate the collaborative efforts. To the extent either Party has access to sensitive and confidential materials, including, but not limited to, attorney-client privileged documents, e-mails, and social security numbers, a Party shall not exchange that information if it would become a public record subject to disclosure. Employees of



Contract #26-12-04

the Parties shall not disclose this information to any person without the prior written permission of the Party who maintains the information.

5. Allocation of Liability/Indemnification. The Parties agree that:
 - a. Each of the Parties to this Agreement shall be solely responsible for any loss, damage, injury, accident, or other casualty, liability, claim, cost or expense of any kind or character, whether known or unknown, arising from the acts or omissions of its employees, agents and contractors and or use of its facilities in connection with this Agreement.
 - b. Each of the Parties to this Agreement shall indemnify and hold the other Parties harmless from liability, obligation or claims arising solely from the actions or omissions of the indemnifying Party, to the extent permitted by law. In the event the liability, obligation or claim arises from the joint action or inaction of the Parties, then each Party shall be responsible to the extent that its action or inaction contributed to the liability, obligation or claim.
6. Administration. It is not intended that a separate legal entity shall be established to conduct the cooperative undertaking, nor is the acquiring, or holding, or disposing of real or personal property anticipated except as stated above. The District's Project Manager shall be responsible for administering this Interlocal Agreement.
7. Assignment. No Party may assign this Agreement without written consent of the other Parties.
8. No Third-Party Rights. Except as expressly provided herein, nothing in this Agreement shall be construed to permit anyone other than the Parties hereto and their successors and assigns to rely upon the covenants and agreements herein nor to give any such third party a cause of action (as a third-party beneficiary or otherwise) on account of nonperformance hereunder.
9. Filing. Upon execution of this Agreement, the District shall file a true and complete copy thereof as required by 39.34 RCW.
10. Compliance with Law. The Parties to this Agreement shall comply with all applicable federal, state and local laws, rules and regulations in carrying out the terms and conditions of this Agreement.
11. Entire Agreement. This Agreement contains all the terms and conditions agreed upon. No other understanding, oral or otherwise, regarding this Agreement shall be deemed to



Contract #26-12-04

exist or bind the Parties. There shall be no modification of this Agreement except in writing, signed by the Parties, and referencing this Agreement.

12. Dispute Resolution/Venue. It is the Parties’ intent to resolve any disputes relating to the interpretation or application of this Agreement informally through discussions at the staff level. In the event disputes cannot be resolved informally at the staff level, then the Parties agree to first submit the dispute to non-binding mediation/dispute resolution before resorting to litigation. In the event that either Party deems it necessary to institute legal action or proceedings to enforce any right or obligation under this Agreement, the Parties hereto agree that any such action shall be initiated in the Superior Court of the State of Washington, situated in Benton County. The Parties hereto agree that all questions shall be resolved by application of Washington law and that the Parties to such accordance with the laws of the State of Washington.

13. Severability. If any provision of this Agreement or its application is held invalid, the remainder of the Agreement or the applications of the remainder of the Agreement shall not be affected.

14. Notice. All notices or other communications given with respect to the subject matter of this Agreement shall be in writing, and shall be served on the parties addressed as follows:

Organization	Contact	Email	Address
Benton PUD	Steve Hunter	hunters@bentonpud.org	P.O. Box 6270 Kennewick WA 99336
Benton Conservation District	Jack Clark	Jack-clark@bentoncd.org	418 N Kellogg Street Suite B Kennewick WA 99336
Energy Northwest	Angela Smith	Adsmith@energy-northwest.com	P.O. Box 968 Richland WA 99352
Franklin Conservation District	Kara Kaelber	Kara-kaelber@franklincd.org	1724 E Superior Street Pasco WA 99301
Franklin PUD	Victor Fuentes	VFuentes@franklinpud.com	P.O. Box 2407 Pasco WA 99302
City of Richland – Energy Services	Jon Amundson	jamundson@ci.richland.wa.us	P.O. Box 190 Richland WA 99352
Kennewick School District	Debbie Smith	Debbie.smith1@ksd.org	600 N Arthur Street Kennewick WA 99336
ESD 123	Steve McCollough	smccollough@esd123.org	3924 W Court Street Pasco WA 99301

Any such notices shall be either (a) sent by certified mail, return receipt requested, in which case notice shall be deemed delivered three (3) business days after deposit, postage prepaid in the U.S. Mail, (b) sent by overnight delivery using a nationally recognized overnight



Contract #26-12-04

courier, in which case notice shall be deemed delivered one (1) business day after deposit with such courier, (c) sent by personal delivery, in which case notice shall be deemed delivered upon delivery, or (d) sent by e-mail, in which case it shall be deemed delivered on the e-mail date, assuming proof of delivery is obtained. The above addresses may be changed by written notice to the other party; provided, however, that no notice of a change of address shall be effective until actual receipt of such notice.

- 15. Termination. The District may, by written notice to Partners, terminate this Interlocal Agreement in whole or in part any time, either for the District’s convenience, or for the default of Partners.
- 16. Authorization. Each party hereby represents and warrants to the other that it is duly authorized to enter into and carry out the terms of this Interlocal Agreement.

IN WITNESS WHEREOF, the parties hereto entered in the above and foregoing Interlocal Agreement the day and year first above written.

**PUBLIC UTILITY DISTRICT NO. 1 OF
BENTON COUNTY,
WASHINGTON**

BENTON CONSERVATION DISTRICT

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

CITY OF RICHLAND

ENERGY NORTHWEST

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____



Contract #26-12-04

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

KENNEWICK SCHOOL DISTRICT

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

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

FRANKLIN CONSERVATION DISTRICT

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

ESD 123

By: _____

Title: _____

Date: _____



COMMISSION AGENDA ACTION FORM

Meeting Date:	March 24, 2026	
Subject:	Contract Award – Insight Public Sector - Solarwinds – Contract #26-15-03 (WA ST Contract 14922)	
Authored by:	Duane Crum	Staff Preparing Item
Presenter:	Duane Crum	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: <i>(Multiple boxes can be checked, if necessary)</i>	
<input checked="" type="checkbox"/> Consent Agenda	<input checked="" type="checkbox"/> Pass Motion	<input type="checkbox"/> Decision / Direction
<input type="checkbox"/> Business Agenda	<input type="checkbox"/> Pass Resolution	<input type="checkbox"/> Info Only
<input type="checkbox"/> Public Hearing	<input checked="" type="checkbox"/> Contract / Change Order	<input type="checkbox"/> Info Only/Possible Action
<input type="checkbox"/> Other Business	<input type="checkbox"/> Sign Letter / Document	<input type="checkbox"/> Presentation Included

Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to sign a three-year contract term through February 4, 2029, with Insight Public Sector, Contract #24-38-03, (WA ST Contract 14922); to renew the Solar Winds monitoring platform subscription for a total not to-exceed amount of \$136,693.51 plus applicable Washington State Sales Tax.

Background/Summary

The District utilizes SolarWinds as its primary enterprise monitoring platform for the information technology infrastructure. SolarWinds provides centralized monitoring and management of network devices, servers, applications, storage systems, and other critical infrastructure components across the District’s environment. This platform enables IT staff to proactively monitor system health, performance, availability, and capacity, allowing potential issues to be identified and resolved before they impact business operations.

The SolarWinds platform supports multiple monitoring modules that provide visibility into network performance, traffic flows, server and application health, virtualization infrastructure, storage systems, IP address management, configuration management, and system logging. These capabilities are essential to maintaining the reliability, security, and operational continuity of the District’s data center, network infrastructure, and enterprise applications.

Since its implementation, SolarWinds has provided a stable and comprehensive monitoring solution that allows the District’s IT staff to quickly identify performance issues, troubleshoot outages, and maintain overall system health. The platform also supports capacity planning, configuration tracking, and operational reporting, which assists in managing the District’s growing technology environment.

The proposed contract with Insight Public Sector, Inc. will provide a three-year subscription renewal for the SolarWinds monitoring platform, including modules for Network Performance Monitoring, NetFlow Traffic Analyzer, Server and Application Monitor, Virtualization Manager, Storage Resource Monitor, IP Address Manager, Network Configuration Manager, User Device Tracker, Network Topology Mapper, VoIP and Network Quality monitoring, and related management tools.

The purchase will be executed through the State of Washington NASPO ValuePoint Software cooperative purchasing agreement (WA ST Contract 14922), which has been competitively solicited and awarded on behalf of participating states. Utilizing this cooperative purchasing contract allows the District to obtain pre-negotiated pricing and terms while ensuring compliance with procurement requirements.

The proposed agreement represents a three-year commitment with an option for annual billing. The estimated annual subscription costs are \$42,106.24 for Year 1, \$45,474.65 for Year 2, and \$49,112.62 for Year 3, for a total subscription amount of \$136,693.51 prior to applicable taxes.

Recommendation

Recommend entering a three-year contract with Insight Public Sector, Inc. to renew the SolarWinds monitoring platform subscription with a term through February 4, 2029. The total cost for the three-year commitment is not-to-exceed \$148,722.54 including Washington State sales tax.

This agreement will ensure continued visibility into the District's network and systems infrastructure, maintain vendor support and software updates, and allow IT staff to effectively monitor and manage the District's enterprise technology environment.

Fiscal Impact

The annual subscription costs will be included in the Department 15 operating budgets for 2026 through 2028.



INSIGHT PUBLIC SECTOR, INC.
 2701 E INSIGHT WAY
 CHANDLER AZ 85286-1930
 Tel: 800-467-4448

Account name: 11119624

PUD NO 1 OF BENTON COUNTY
 ACCOUNTS PAYABLE
 PO BOX 6270
 KENNEWICK WA 99336-0270

SHIP-TO

PUD NO 1 OF BENTON COUNTY
 DUANE CRUM
 1500 S ELY ST
 KENNEWICK WA 99337-2831

We deliver according to the following terms:

Payment Terms : Net 30 days
 Ship Via : Electronic Delivery
 Terms of Delivery : FOB ORIGIN
 Currency : USD

Insight's statewide vendor registration number SWV0015559

Quotation	
Quotation Number :	0229140967
Document Date :	27-JAN-2026
PO Number :	
PO Release :	
Sales Rep :	Derek Racki
Email :	DEREK.RACKI@INSIGHT.COM
Phone :	+15053183191

This is an 3 Year commitment. Pricing reflects a commitment to the full term and quantities listed. Orders for items in this quote confirm acceptance of these terms and the payment schedule. Purchase Orders are required to reference Insight Quote # 229140967 for processing. If orders are placed annually, they should be submitted at least 15 days before the renewal date. Once accepted, orders are not cancellable, and the full multi-year commitment will apply. These terms will govern the items quoted, notwithstanding any conflicting terms in other agreements between Customer and Insight.

If you wish to terminate any of the out years within the multi-year term Insight will need to be notified 90 days prior to the next anniversary and a 20% quote of the remaining committed multi-year subscription term license cost will be sent by Insight once Solarwinds approves cancellation. Insight needs to be notified 90 days prior to the end of Year 3 if you do not wish to renew.

**Year 1 - \$42,106.24 To be billed at time of purchase
 Year 2 - \$45,474.65 To be billed at anniversary
 Year 3 - \$49,112.62 To be billed at anniversary**

Material	Material Description	Quantity	Unit Price	Extended Price
2078005-P1BC	SOLARWINDS NETWORK PERFORMANCE (UNLIMITED ELEMENTS-STANDARD POLLING THROUGHPUT) - SUBSCRIPTION (1Y) Coverage Dates: 05-FEB-2026 - 04-FEB-2027 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(#) CTR060025 / 14922-03) Serial #: SW2132416	1	8,944.63	8,944.63
2085005-P1BC	SOLARWINDS NETFLOW TRAFFIC ANALYZER FOR SOLARWINDS NETWORK PERFORMANCE SLX - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2026 - 04-FEB-2027 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(#) CTR060025 / 14922-03) Serial #: SW2132416	1	5,107.54	5,107.54
2086109-P1BC	SOLARWINDS SERVER & APPLICATION MONITOR (UNLIMITED MONITORS-STANDARD POLLING THROUGHPUT) - SUBSCRIPTION (1Y) Coverage Dates: 05-FEB-2026 - 04-FEB-2027 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(#) CTR060025 / 14922-03) Serial #: SW2132416	1	10,679.84	10,679.84
2091003-P1BC	SOLARWINDS IP ADDRESS MANAGER IP4000 (UP 4096 IPS) - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2026 - 04-FEB-2027 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(#) CTR060025 / 14922-03) Serial #: SW2132416	1	1,325.74	1,325.74
2093002-P1BC	SOLARWINDS VOIP AND NETWORK QUALITY IP SLA 25, IP PHONE 1500 (UP TO 25 IP SLA SOURCE DEVICES, 1500 IP PHONES) - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2026 - 04-FEB-2027	1	1,584.41	1,584.41

Material	Material Description	Quantity	Unit Price	Extended Price
	STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416			
2061001-P1BC	SOLARWINDS ENGINEER'S TOOLSET PER SEAT LICENSE (INCLUDES ONE DESKTOP INSTALL & WEB NAMED USER) - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2026 - 04-FEB-2027 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	587.29	587.29
2125004-P1BC	SOLARWINDS VIRTUALIZATION MANAGER VM64 64 SOCKETS) - SUBSCRIPTION (1Y) Coverage Dates: 05-FEB-2026 - 04-FEB-2027 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	5,285.29	5,285.29
2164004-P1BC	SolarWinds Storage Resource Monitor SRM300 - subscription license - up to 300 disks Coverage Dates: 05-FEB-2026 - 04-FEB-2027 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	4,542.85	4,542.85
2132001-P1BC	SOLARWINDS NETWORK TOPOLOGY MAPPER - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2026 - 04-FEB-2027 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	532.65	532.65
2112002-P1BC	SolarWinds User Device Tracker UT2500 - subscription license - up to 2500 ports Coverage Dates: 05-FEB-2026 - 04-FEB-2027 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	588.34	588.34
2088001-P1BC	SOLARWINDS KIWI SYSLOG SERVER NG - INSTALL - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2026 - 04-FEB-2027 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	147.29	147.29
2088001-P1BC	SOLARWINDS KIWI SYSLOG SERVER NG - INSTALL - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2026 - 04-FEB-2027 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	147.29	147.29
2081005-P1BC	SOLARWINDS NETWORK CONFIGURATION DL500 (UP TO 500 NODES) - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2026 - 04-FEB-2027 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	2,633.08	2,633.08

Material	Material Description	Quantity	Unit Price	Extended Price
2078005-P1BC	SOLARWINDS NETWORK PERFORMANCE (UNLIMITED ELEMENTS-STANDARD POLLING THROUGHPUT) - SUBSCRIPTION (1Y) Coverage Dates: 05-FEB-2027 - 04-FEB-2028 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	9,660.19	9,660.19
2085005-P1BC	SOLARWINDS NETFLOW TRAFFIC ANALYZER FOR SOLARWINDS NETWORK PERFORMANCE SLX - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2027 - 04-FEB-2028 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	5,516.13	5,516.13
2086109-P1BC	SOLARWINDS SERVER & APPLICATION MONITOR (UNLIMITED MONITORS-STANDARD POLLING THROUGHPUT) - SUBSCRIPTION (1Y) Coverage Dates: 05-FEB-2027 - 04-FEB-2028 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	11,534.21	11,534.21
2091003-P1BC	SOLARWINDS IP ADDRESS MANAGER IP4000 (UP 4096 IPS) - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2027 - 04-FEB-2028 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	1,431.79	1,431.79
2093002-P1BC	SOLARWINDS VOIP AND NETWORK QUALITY IP SLA 25, IP PHONE 1500 (UP TO 25 IP SLA SOURCE DEVICES, 1500 IP PHONES) - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2027 - 04-FEB-2028 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	1,711.16	1,711.16
2061001-P1BC	SOLARWINDS ENGINEER'S TOOLSET PER SEAT LICENSE (INCLUDES ONE DESKTOP INSTALL & WEB NAMED USER) - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2027 - 04-FEB-2028 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	634.26	634.26
2125004-P1BC	SOLARWINDS VIRTUALIZATION MANAGER VM64 64 SOCKETS) - SUBSCRIPTION (1Y) Coverage Dates: 05-FEB-2027 - 04-FEB-2028 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	5,708.12	5,708.12
2164004-P1BC	SolarWinds Storage Resource Monitor SRM300 - subscription license - up to 300 disks Coverage Dates: 05-FEB-2027 - 04-FEB-2028 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	4,906.26	4,906.26

Material	Material Description	Quantity	Unit Price	Extended Price
2132001-P1BC	SOLARWINDS NETWORK TOPOLOGY MAPPER - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2027 - 04-FEB-2028 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	575.25	575.25
2112002-P1BC	SolarWinds User Device Tracker UT2500 - subscription license - up to 2500 ports Coverage Dates: 05-FEB-2027 - 04-FEB-2028 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	635.40	635.40
2088001-P1BC	SOLARWINDS KIWI SYSLOG SERVER NG - INSTALL - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2027 - 04-FEB-2028 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	159.08	159.08
2088001-P1BC	SOLARWINDS KIWI SYSLOG SERVER NG - INSTALL - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2027 - 04-FEB-2028 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	159.08	159.08
2081005-P1BC	SOLARWINDS NETWORK CONFIGURATION DL500 (UP TO 500 NODES) - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2027 - 04-FEB-2028 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	2,843.72	2,843.72
2078005-P1BC	SOLARWINDS NETWORK PERFORMANCE (UNLIMITED ELEMENTS-STANDARD POLLING THROUGHPUT) - SUBSCRIPTION (1Y) Coverage Dates: 05-FEB-2028 - 04-FEB-2029 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	10,433.00	10,433.00
2085005-P1BC	SOLARWINDS NETFLOW TRAFFIC ANALYZER FOR SOLARWINDS NETWORK PERFORMANCE SLX - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2028 - 04-FEB-2029 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	5,957.42	5,957.42
2086109-P1BC	SOLARWINDS SERVER & APPLICATION MONITOR (UNLIMITED MONITORS-STANDARD POLLING THROUGHPUT) - SUBSCRIPTION (1Y) Coverage Dates: 05-FEB-2028 - 04-FEB-2029 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	12,456.95	12,456.95
2091003-P1BC	SOLARWINDS IP ADDRESS MANAGER IP4000 (UP 4096 IPS) - SUBSCRIPTION (1Y) CONVERSION	1	1,546.34	1,546.34

Material	Material Description	Quantity	Unit Price	Extended Price
	Coverage Dates: 05-FEB-2028 - 04-FEB-2029 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416			
2093002-P1BC	SOLARWINDS VOIP AND NETWORK QUALITY IP SLA 25, IP PHONE 1500 (UP TO 25 IP SLA SOURCE DEVICES, 1500 IP PHONES) - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2028 - 04-FEB-2029 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	1,848.06	1,848.06
2061001-P1BC	SOLARWINDS ENGINEER'S TOOLSET PER SEAT LICENSE (INCLUDES ONE DESKTOP INSTALL & WEB NAMED USER) - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2028 - 04-FEB-2029 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	685.00	685.00
2125004-P1BC	SOLARWINDS VIRTUALIZATION MANAGER VM64 64 SOCKETS) - SUBSCRIPTION (1Y) Coverage Dates: 05-FEB-2028 - 04-FEB-2029 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	6,164.77	6,164.77
2164004-P1BC	SolarWinds Storage Resource Monitor SRM300 - subscription license - up to 300 disks Coverage Dates: 05-FEB-2028 - 04-FEB-2029 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	5,298.76	5,298.76
2132001-P1BC	SOLARWINDS NETWORK TOPOLOGY MAPPER - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2028 - 04-FEB-2029 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	621.28	621.28
2112002-P1BC	SolarWinds User Device Tracker UT2500 - subscription license - up to 2500 ports Coverage Dates: 05-FEB-2028 - 04-FEB-2029 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	686.23	686.23
2088001-P1BC	SOLARWINDS KIWI SYSLOG SERVER NG - INSTALL - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2028 - 04-FEB-2029 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	171.80	171.80
2088001-P1BC	SOLARWINDS KIWI SYSLOG SERVER NG - INSTALL - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2028 - 04-FEB-2029 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(#	1	171.80	171.80

Material	Material Description	Quantity	Unit Price	Extended Price
2081005-P1BC	CTR060025 / 14922-03) Serial #: SW2132416 SOLARWINDS NETWORK CONFIGURATION DL500 (UP TO 500 NODES) - SUBSCRIPTION (1Y) CONVERSION Coverage Dates: 05-FEB-2028 - 04-FEB-2029 STATE OF WASHINGTON NASPO VALUEPOINT SOFTWARE VAR(# CTR060025 / 14922-03) Serial #: SW2132416	1	3,071.21	3,071.21
			Product Subtotal	136,693.51
			TAX	12,029.03
			Total	148,722.54

Thank you for choosing Insight. Please contact us with any questions or for additional information about Insight's complete IT solution offering.

Sincerely,

Derek Racki
 +15053183191
DEREK.RACKI@INSIGHT.COM

Insight Global Finance has a wide variety of flexible financing options and technology refresh solutions. Contact your Insight representative for an innovative approach to maximizing your technology and developing a strategy to manage your financial options.

This purchase is subject to Insight's online Terms of Sale unless you are purchasing under an Insight Public Sector, Inc. contract vehicle, in which case, that agreement will govern.

SOFTWARE AND CLOUD SERVICES PURCHASES: If your purchase contains any software or cloud computing offerings ("Software and Cloud Offerings"), each offering will be subject to the applicable supplier's end user license and use terms ("Supplier Terms") made available by the supplier or which can be found at the "terms-and-policies" link below. By ordering, paying for, receiving or using Software and Cloud Offerings, you agree to be bound by and accept the Supplier Terms unless you and the applicable supplier have a separate agreement which governs.

Insight's online Terms of Sale can be found at the "terms-and-policies" link below.

<https://www.insight.com/terms-and-policies>

By ordering this Insight quote, you are agreeing to the following terms:

End User to agree to be bound by all terms and conditions of the End User Agreement located at <https://www.solarwinds.com/legal/eula> or <https://www.solarwinds.com/legal/software-services-agreement> (for SaaS products)

Subscription Commercial Specific Terms: Notwithstanding anything to the contrary set forth in the EULA, You may terminate Your Subscription Term License committed by You under an Order by providing SolarWinds with at least ninety (90) days written notice of termination prior to the end of the then-current annual period of the Subscription Term License. However, You understand and acknowledge that if You elect to terminate early in accordance with the preceding sentence, (a) any such termination shall only apply to any subsequent annual period(s) left on the committed Subscription Term License (and not the annual period in which You terminate, for which you remain fully responsible), and (b) You remain responsible for payment of twenty percent (20%) of the balance of Fees due for the remainder of the committed Subscription Term License.



COMMISSION AGENDA ACTION FORM

Meeting Date:	March 24, 2026	
Subject:	Contract Award Recommendation – Washington State Auditor’s Office – Letters of Agreement Contract #26-14-01	
Authored by:	Kent Zirker	Staff Preparing Item
Presenter:	Kent Zirker	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: <i>(Multiple boxes can be checked, if necessary)</i>	
<input checked="" type="checkbox"/> Consent Agenda	<input checked="" type="checkbox"/> Pass Motion	<input type="checkbox"/> Decision / Direction
<input type="checkbox"/> Business Agenda	<input type="checkbox"/> Pass Resolution	<input type="checkbox"/> Info Only
<input type="checkbox"/> Public Hearing	<input checked="" type="checkbox"/> Contract/Change Order	<input type="checkbox"/> Info Only/Possible Action
<input type="checkbox"/> Other Business	<input type="checkbox"/> Sign Letter / Document	<input type="checkbox"/> Presentation Included

Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to sign Letters of Agreement related to Contract #26-14-01 with Washington State Auditor’s Office to perform multiple audits for fiscal years 2026 and 2027; for a not-to-exceed amount of \$137,000, with an expiration date of December 31, 2029.

Background/Summary

In accordance with State laws, the Washington State Auditor’s Office (SAO) performs the following audits of the District.

- Accountability (Dept 14) – an annual audit of the District’s compliance with state laws, regulations, policies, and safeguarding of public resources,
- Conservation (Dept 45) – a two-year audit of the District’s compliance with the Energy Independence Act (EIA) requirements in developing its energy conservation target and reviewing energy conservation acquired,
- Renewable Energy (Dept 45) – an annual audit of the District’s compliance with EIA renewable energy requirements,
- CETA (Dept 45) - an annual audit of the District’s compliance with Clean Energy Transformation Act programs and reports requirements.

Each year, the District and SAO sign an engagement letter for each audit which confirms our understanding of the nature, terms, limitations of the audit performed, and responsibilities of both parties.

Recommendation

State law gives authority to SAO to perform the audits as outlined above. These audits will help ensure the District is compliant with State laws, regulations, and is safeguarding its assets. It is recommended the District enter into professional services agreements with the SAO for audits to be performed for fiscal years 2026 and 2027.

Fiscal Impact

Estimated audit expense for fiscal years 2026 and 2027 totals \$137,000. Audit work is expected to be performed in part in calendar years 2026 to 2029 and will be approximately \$68,500 each year. This amount will be included in departments 14 and 45 budget each year.



COMMISSION AGENDA ACTION FORM

Meeting Date:	March 24, 2026	
Subject:	Contract #08-51-19 - White Creek Wind I, LLC - Agreement to Waive Purchase Option – CO#2	
Authored by:	Blake Scherer	Staff Preparing Item
Presenter:	Blake Scherer	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: <i>(Multiple boxes can be checked, if necessary)</i>	
<input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Business Agenda <input type="checkbox"/> Public Hearing <input type="checkbox"/> Other Business	<input checked="" type="checkbox"/> Pass Motion <input type="checkbox"/> Pass Resolution <input checked="" type="checkbox"/> Contract / Change Order <input type="checkbox"/> Sign Letter / Document <input type="checkbox"/> Decision / Direction <input type="checkbox"/> Info Only <input type="checkbox"/> Info Only/Possible Action <input type="checkbox"/> Presentation Included	

Motion for Commission Consideration:

Motion authorizing the General Manager on behalf of the District to sign substantially the form presented, Agreement to Waive Option at Year 20 and to Terminate Asset Purchase Option Agreement related to the terms of Contract #08-51-19 with White Creek Wind I, LLC; CO #2.

Background/Summary

On September 23, 2008, the Commission approved Resolution No. 2006, authorizing the purchase of energy and execution of related agreements for the White Creek project. This included approval to execute nine documents, one of which was the Asset Purchase Option Agreement (AOPA). The AOPA granted seven Optionholders, including Benton PUD, the right to purchase the project in years 10 and 20 (2027).

On November 12, 2025, staff provided a management report to the Commission indicating that the White Creek project owner was considering a buyout payment to the energy purchasers in lieu of the year 20 purchase option. Since becoming a BPA Load Following customer, the District has not relied on White Creek energy to serve load and has planned to exit the contract upon its expiration in 2027.

Over the past four months, all seven Optionholders have agreed not to pursue the year 20 purchase option and entered into negotiations with the project owner for a cash payment in exchange for waiving the option and terminating the AOPA. As a result, the Optionholders have agreed to accept a one-time payment of \$5,000,000 from the project owner. The District’s 3% share equates to a payment of \$150,000.

Recommendation

Recommend the District to execute, in substantially the form, the “Agreement to Waive Option at Year 20 and to Terminate Asset Purchase Option Agreement”. The District is one of seven Optionholders that collectively must sign the Agreement for it to become effective.

Fiscal Impact

Within 30 days of the Effective Date of the Agreement, the Project Owner will pay the Optionholders a total of Five Million Dollars (\$5,000,000). The District will receive a payment of \$150,000, based on its 3.0% share.

**AGREEMENT TO WAIVE OPTION AT YEAR 20 AND TO TERMINATE ASSET
PURCHASE OPTION AGREEMENT**

THIS AGREEMENT TO WAIVE OPTION AT YEAR 20 AND TO TERMINATE ASSET PURCHASE OPTION AGREEMENT (the "Agreement") is entered into effective as of the last day of execution identified below (the "Effective Date") by and among WHITE CREEK WIND I, LLC, a Delaware limited liability company (the "Project Owner"); SUMMIT POWER WC WIND ACQUISITION, LLC, a Delaware limited liability company ("Summit"); PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY, WASHINGTON, a Washington public utility district ("Benton PUD"); PUBLIC UTILITY DISTRICT NO. 1 OF COWLITZ COUNTY, WASHINGTON, a Washington public utility district ("Cowlitz PUD"); PUBLIC UTILITY DISTRICT NO. 1 OF KLICKITAT COUNTY, WASHINGTON, a Washington public utility district ("Klickitat PUD"); LL&P WIND ENERGY, INC., a Washington corporation ("LL&P"); PUBLIC UTILITY DISTRICT NO. 1 OF LEWIS COUNTY, WASHINGTON, a Washington public utility district ("Lewis PUD"); and TANNER WIND ENERGY, INC., a Washington corporation ("TWE") (each of Benton PUD, Cowlitz PUD, Klickitat PUD, LL&P, Lewis PUD, and TWE individually, an "Optionholder" and, collectively, the "Optionholders" and each of the Project Owner, Summit and the Optionholders, individually, a "Party" and, collectively, the "Parties").

RECITALS

WHEREAS, the Project Owner, Summit, and Optionholders are party to an Asset Purchase Option Agreement dated as of December 28, 2006, as amended by the First Amendment to the Asset Purchase Option Agreement, dated August 6, 2007, the Second Amendment to the Asset Purchase Option Agreement, dated June 16, 2008, the Third Amendment to the Asset Purchase Option Agreement, dated October 1, 2008, and the Fourth Amendment to the Asset Purchase Option Agreement dated May 12, 2009 (the Asset Purchase Option Agreement as amended by such First, Second, Third, and Fourth Amendments, the "Asset Purchase Option Agreement"), pursuant to which the Project Owner grants each Optionholder the right and option to purchase the Project Owner's right, title, and interest in and to the Project Assets on terms set forth in the Asset Purchase Option Agreement (the "Asset Option"); and

WHEREAS, the Parties acknowledge that the rights to exercise the Asset Option under Sections 3.1.1 (Option at Year 10) and 3.1.2 (Follow-on Option) of the Asset Purchase Option Agreement have expired pursuant to the terms of said sections; and

WHEREAS, the Parties further acknowledge that the right to exercise the Asset Option under Section 3.1.3 (Option at Year 20) of the Asset Purchase Option Agreement remains available to the Optionholders pursuant to the terms of said section; and

WHEREAS, the Parties desire (i) for the Optionholders to each waive their respective right to exercise the Asset Option pursuant to Section 3.1.3 (Option at Year 20) of the Asset Purchase Option Agreement in consideration for the Project Owner's payment of a total of Five Million Dollars (\$5,000,000) to the Optionholders and (ii) to terminate the Asset Purchase Option Agreement, subject to the terms and conditions of this Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, hereby agree as follows:

1. **Definitions.** Except as expressly provided herein, capitalized terms used in this Agreement (including the Recitals hereto) shall have the meanings specified in the Asset Purchase Option Agreement.

2. **Waiver of the Option.** As consideration for the payments to be made by the Project Owner pursuant to Section 3 of this Agreement, each Optionholder, on behalf of itself and its respective affiliates, parent entities, subsidiaries, successors, and assigns, hereby fully and forever waives its right to exercise the Asset Option under Section 3.1.3 (Option at Year 20) of the Asset Purchase Option Agreement.

3. **Payments by Project Owner.** Within thirty (30) days of the Effective Date, the Project Owner shall pay the Optionholders a total of Five Million Dollars (\$5,000,000) in consideration for the waivers made by the Optionholders pursuant to Section 2 of this Agreement. Said total amount shall be allocated and paid to the Optionholders based on their respective Shares under the Asset Purchase Option Agreement as identified in the table below. The respective payment to be made to each Optionholder under this Section shall be by electronic funds transfer in accordance with written instructions to be separately provided to the Project Owner by such Optionholder.

<u>Optionholder</u>	<u>Share</u>	<u>Payment Amount</u>
Benton PUD	3.0%	\$150,000
Cowlitz PUD	46.0%	\$2,300,000
Klickitat PUD	13.0%	\$650,000
LL&P	26.0%	\$1,300,000
Lewis PUD	10.0%	\$500,000
TWE	2.0%	\$100,000
Total:	100%	\$5,000,000

4. **Termination of Asset Purchase Option Agreement.** As further consideration of the mutual covenants contained herein, including the waiver under Section 2 and payments under Section 3, each Party, on behalf of itself and its respective affiliates, parent entities, subsidiaries, successors, and assigns hereby (i) agrees that the Asset Purchase Option Agreement is terminated as of the Effective Date; (ii) fully and forever waives any further rights it may have under the Asset Purchase Option Agreement; and (iii) fully and forever releases each other Party and its respective affiliates, parent entities, subsidiaries, members, managers, officers, directors, employees, agents, successors, and assigns from any and all claims, demands, actions, causes of action, suits, damages, losses, costs, expenses, liabilities, duties, and obligations of any kind or nature whatsoever, whether known or unknown, accrued or unaccrued, matured or unmatured, contingent or otherwise, at law or in equity, arising under or relating to the Asset

Purchase Option Agreement (collectively, the “Released Claims”). Each Party further covenants and agrees that it shall not, and shall cause its affiliates not to, institute or prosecute any action, suit, or proceeding against any other Party or its affiliates based upon or arising out of any Released Claim. Each Party acknowledges that it may hereafter discover facts in addition to or different from those which it now knows or believes to be true with respect to the Released Claims, and agrees that this release shall be and remain in full force and effect in all respects notwithstanding such discovery.

5. **Acknowledgement by Summit.** Summit hereby acknowledges that each of the Optionholders has waived its right to exercise the Asset Option under Section 3.1.3 (Option at Year 20) of the Asset Purchase Option Agreement and that the Asset Purchase Option Agreement is hereby terminated. For the avoidance of doubt, Summit’s obligations and releases under Section 4 of this Agreement are not limited by this Section 5.

6. **Representations and Warranties.** Each Party represents and warrants as follows:

6.1 Authority. Such Party has the full power and authority to enter into this Agreement and to carry out and perform its other obligations under the terms of this Agreement.

6.2 Binding Agreement. This Agreement constitutes the valid and legally binding obligation of such Party enforceable in accordance with its terms and conditions, except to the extent that such enforceability may be limited by (i) bankruptcy, insolvency, reorganization, moratorium or other similar laws, or by equitable principles, relating to or limiting the rights of creditors generally and (ii) limitations imposed by law or equitable principles.

6.3 Compliance. None of the execution or delivery of this Agreement or the performance by such Party of its obligations hereunder or thereunder shall: (i) conflict with or violate any provision of the Party’s organizational documents; (ii) conflict with, violate or result in a breach of, any Applicable Law in effect as of the Effective Date; or (iii) conflict with, violate or result in a breach of, or constitute a default under or result in the imposition or creation of, any security under any agreement or instrument to which the Party is a party or by which it or any of its properties or assets are bound.

7. **Survival.** The representations, warranties and covenants made herein shall survive the execution and delivery of this Agreement.

8. **Good Faith.** All parties hereto agree to carry out the terms of this Agreement and to act in good faith with respect to the terms and conditions contained herein.

9. **Negotiation of Agreement.** This Agreement is the result of negotiations between, and has been reviewed by, the Parties and their respective legal counsel. Accordingly, this Agreement shall be deemed to be the product of each Party, and there shall be no presumption that

an ambiguity should be construed in favor of or against a Party solely as a result of such Party's actual or alleged role in the drafting of this Agreement.

10. **Counterparts.** This Agreement may be executed in one or more counterparts and the counterparts taken together shall constitute one and the same agreement.

11. **Headings, Captions.** All titles, subject headings, section titles, and similar items are provided for purposes of reference and convenience and are not intended to affect the meaning, content, or scope of this Agreement.

12. **Governing Law; Consent to Jurisdiction.** This Agreement will be governed by, and construed and interpreted in accordance with, the laws of the State of Washington without regard to the conflicts of laws principles that would require the application of any other law. Any proceeding arising out of or relating to this Agreement shall be brought in (a) the courts of the State of Washington in (i) King County to the extent a proceeding is commenced against LL&P, TWE or Project Owner or Summit, (ii) Cowlitz County to the extent a proceeding is commenced against Cowlitz PUD, (iii) Klickitat County to the extent a proceeding is commenced against Klickitat PUD, (iv) Lewis County to the extent a proceeding is commenced against Lewis PUD, or (v) Benton County to the extent a proceeding is commenced against Benton PUD, or (b) if the United States District Court for the Western District of Washington, sitting in Seattle, has or can acquire jurisdiction, in such court. Each of the Parties (1) irrevocably submits to the exclusive jurisdiction of each such court in any such proceeding, (2) waives any objection it may now or hereafter have to venue or to convenience of forum, (3) agrees that all claims in respect of the proceeding shall be heard and determined only in any such court and (4) agrees not to bring any proceeding arising out of or relating to this Agreement in any other court. The Parties agree that any Party may file a copy of this paragraph with any court as written evidence of the knowing, voluntary and bargained agreement among the Parties irrevocably to waive any objections to venue or to convenience of forum. Without preventing any other legal means of service of process, service may be effected on any Party by being delivered to a Party (by hand) at its address for service of notices set forth in Exhibit A of the Asset Purchase Option Agreement.

13. **Attorneys' Fees.** Should any action or other proceeding be necessary to enforce any of the provisions of this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees and costs incurred in each and every action or proceeding, including any and all appeals or petitions therefrom.

14. **Reservation of Rights.** Except as expressly provided in this Agreement with respect to the waiver by the Optionholders of the right to exercise the Asset Option under Section 3.1.3 (Option at Year 20) of the Asset Purchase Option Agreement and the termination of the Asset Purchase Option Agreement and waiver of Released Claims under Section 4 hereunder, each Party hereby reserves any and all claims, demands, actions, causes of action, suits, damages, losses, costs, expenses, liabilities, duties, and obligations of any kind or nature whatsoever, whether known or unknown, accrued or unaccrued, matured or unmatured, contingent or otherwise, at law or in equity, arising under or relating to the Project Agreements, any other agreement(s) between any Party with another Party relating to the Project, or the Project (collectively, "Reserved Rights"). Nothing in this Agreement shall be deemed or construed to waive, limit, or otherwise

prejudice any such Reserved Rights (other than with respect to the Released Claims). Notwithstanding the foregoing, this Section 14 shall not limit, modify, or otherwise affect the release of Released Claims set forth in Section 4 of this Agreement, and the reservation of rights under this Section 14 shall not extend to any claims, rights, remedies, or defenses arising under or relating to the Asset Purchase Option Agreement. This Section shall survive expiration, cancellation, or termination of this Agreement.

<SIGNATURE PAGES TO FOLLOW>

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed effective as of the last date of execution identified below.

PROJECT OWNER: WHITE CREEK WIND I, LLC,
a Delaware limited liability company

By: _____

Name:

Its:

Date:

OPTIONHOLDERS: PUBLIC UTILITY DISTRICT NO. 1 OF
BENTON COUNTY, WASHINGTON,
a Washington public utility district

By: _____

Name: Rick Dunn

Its: General Manager

Date:

PUBLIC UTILITY DISTRICT NO. 1 OF
COWLITZ COUNTY, WASHINGTON,
a Washington public utility district

By: _____

Name: Gary Huhta

Its: General Manager

Date:

<ADDITIONAL SIGNATURES ON FOLLOWING PAGE>

PUBLIC UTILITY DISTRICT NO. 1 OF
Klickitat County, Washington,
a Washington public utility district

By: _____
Name: Gwyndalyn Miller
Its: General Manager
Date:

PUBLIC UTILITY DISTRICT NO. 1 OF
Lewis County, Washington,
a Washington public utility district

By: _____
Name: David Plotz
Its: General Manager
Date:

LL&P Wind Energy, Inc.,
a Washington corporation

By: _____
Name: Alan Hart
Its: President of Wind Operations
Date:

Tanner Wind Energy, Inc.,
a Washington corporation

By: _____
Name: Steven Walter
Its: CEO
Date:

<ADDITIONAL SIGNATURE ON FOLLOWING PAGE>

SUMMIT:

SUMMIT POWER WC WIND
ACQUISITION, LLC,
a Delaware limited liability company

By: _____
Name:
Its:
Date:



COMMISSION AGENDA ACTION FORM

Meeting Date:	March 24, 2026	
Subject:	Resolution No. 2721 - Revising Power Risk Management and Trading Policies	
Authored by:	Blake Scherer	Staff Preparing Item
Presenter:	Blake Scherer	Staff Presenting Item (if applicable or N/A)
Approved by:	Jon Meyer	Dept. Director/Manager
Approved for Commission:		General Manager/Asst GM
Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
<input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Business Agenda <input type="checkbox"/> Public Hearing <input type="checkbox"/> Other Business	<input checked="" type="checkbox"/> Pass Motion <input checked="" type="checkbox"/> Pass Resolution <input type="checkbox"/> Contract/Change Order <input type="checkbox"/> Sign Letter / Document <input type="checkbox"/> Decision / Direction <input type="checkbox"/> Info Only <input type="checkbox"/> Info Only/Possible Action <input type="checkbox"/> Presentation Included	

Motion for Commission Consideration:

Motion adopting Resolution No. 2721 revising the District’s Power Risk Management and Trading Policies in substantially the form presented.

Background/Summary

Since initial Commission adoption in 2001, the District has maintained Power Risk Management and Trading Policies (Policies) associated with managing its power supply resources, including its Bonneville Power Administration (BPA) Power Sales Agreements (Slice/Block and now Load Following), BPA Transmission Service Agreements (Point-to-Point and Network Integration) and its non-BPA power purchase agreements, which currently include Nine Canyon Wind, White Creek Wind and Packwood Hydroelectric.

To limit the risks inherent with performing power market trading activities, the District and its agent, The Energy Authority, Inc. (TEA), have followed Commission approved Policies. These Policies are administered by the District’s Risk Management Committee (RMC) and were last updated by Commission approval of Resolution No. 2643 on August 22, 2023.

Organizational changes within the District, effective March 2, 2026, require revising these Policies to incorporate job title changes and revisions to the RMC membership. Some minor clean-up edits are also included.

Recommendation

Revision of Policies is required to ensure RMC roles and responsibilities are accurately represented.

Fiscal Impact

N/A

RESOLUTION NO. 2721

March 24, 2026

**A RESOLUTION OF THE COMMISSION
OF PUBLIC UTILITY DISTRICT NO. 1 OF BENTON COUNTY REGARDING
REVISING POWER RISK MANAGEMENT AND TRADING POLICIES**

WHEREAS, Public Utility District No. 1 of Benton County, Washington (the "District") has a Load Following Power Sales Agreement, a Network Integration Transmission Services Agreement, and a Point-to-Point Transmission Services Agreement with the Bonneville Power Administration (BPA); AND

WHEREAS, the District has long term Power Purchase and Sale Agreements for the output and environmental attributes from the Nine Canyon Wind Project, White Creek Wind Project and Packwood Lake Hydroelectric Project; AND

WHEREAS, to prudently manage the inherent risk associated with these Agreements, the District may actively buy and sell products and services in wholesale markets; AND

WHEREAS, buying and selling electric power and transmission; and environmental attributes; and natural gas in wholesale markets introduces commercial risk to the District; AND

WHEREAS, to mitigate commercial risk, the District must engage in risk management strategies and practices using conservative parameters to allow for predictability of power costs, cash reserves, and retail rates; AND

WHEREAS, the District will not engage in speculative commodity trading and will limit commodity trading within established conservative parameters; AND

WHEREAS, the use of derivatives including but not limited to forward swaps, puts, calls, collars, etc., is an important element of an effective utility power risk management policy and has, in the state of Washington been determined to be allowable and prudent, and reduces the operational threat of being physically short of supply; AND

WHEREAS, the Commission approved Resolution No. 1951 on June 26, 2007, authorizing the General Manager, or his designee, to sell short-term power, environmental attributes, and natural gas within certain prescribed limits; AND

WHEREAS, the Commission approved Resolution No. 2378 on September 27, 2016, authorizing the General Manager, or his designee, to purchase short-term electric energy, capacity, renewable energy certificates and natural gas within certain prescribed limits; AND

WHEREAS, TEA trading as principal for both power and transmission has been allocated a credit limit as outlined in paragraph VI.B.4 of the Power Risk Management and Trading Policies; AND

WHEREAS, the counterparty credit exposure limits have been in place since 2010 and are reviewed annually by the Risk Management Committee and are adjusted when required to better reflect current power market conditions; AND

WHEREAS, the Commission adopted Resolution No. 2643 revising the Risk Management and Trading Policies on August 22, 2023, and the Commission now recognizes the need to amend such policies.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the Commission of Public Utility District No. 1 Benton County, that the revised Power Risk Management and Trading Policies be approved, in substantially the form presented, effective March 24, 2026.

BE IT FURTHER RESOLVED that the Commission directs staff to follow and implement said policies as may be amended from time to time by the Commission; AND

BE IT FURTHER RESOLVED that this Resolution supersedes Resolution No. 2643 and replaces all other Resolutions pertaining to the same herein.

APPROVED AND ADOPTED by the Commission of Public Utility District No. 1 of Benton County at an open meeting, with notice of such meeting being given as required by law, this 24th day of March 2026.

Jeff Hall, President

ATTEST:

Mike Massey, Secretary

Power Risk Management and Trading Policies

Benton PUD

I. Preamble

Effective October 1, 2001, Public Utility District No.1 of Benton County, Washington (“BPUD”) began purchasing its net requirements wholesale power supply from the Bonneville Power Administration (“BPA”) under a 10-year Slice/Block Power Purchase Agreement. The District signed a follow-on 20-year Slice/Block contract in 2008. The Slice of the System (“Slice”) product component of this agreement required BPUD to participate in wholesale power markets, both spot and forward, much more actively than was previously the case. Unlike the requirements contract BPUD held prior to October 2001, Slice generation availability was not a function of BPUD’s load. Slice generation is a function of conditions on the Columbia and Snake River systems and Columbia Generating Station availability. This feature of the Slice product resulted in surpluses and deficits of energy as compared to the loads served by BPUD. BPUD was required to use the wholesale power market to “shape” Slice generation to load and dispose of surplus power. The District has been a Slice / Block customer until giving BPA formal notice on September 27, 2022 during a BPA product switch public process that it planned to convert to the BPA Load Following Power Purchase Agreement on October 1, 2023.

Effective May 31, 1997, BPUD entered into a Point-to-Point Transmission Service Agreement, Contract 97TX-10041, with BPA which provided for transmission services that from time to time may be in excess of BPUD requirements and that BPUD may resell the excess. On June 7, 2022, BPUD entered into a Network Integration Transmission Service (“NITS”) Agreement with BPA effective October 1, 2023.

Additionally, it is apparent that long-term demand for low-cost Federal Power is far in excess of supply. BPUD does not expect that it will have access to low-cost Federal Power for all of its net requirements in future years.

Both BPUD and The Energy Authority, Inc. (“TEA”), its agent, have recognized the need for formalized and installed risk management processes and controls related to trading activities. To that end, BPUD wishes to document these policies and procedures. The present document speaks directly to the policies of BPUD in managing its exposure to wholesale energy commodity market prices and governing TEA’s trading activities in that regard. It reflects lessons learned to date, and these comprehensive policies and procedures comprise guidelines and requirements to be employed in managing the market risk inherent in BPUD’s trading activities.

II. Mission and Goal

We contribute high value to our community and customers by providing energy and related services using reliable and efficient delivery systems. Our goal is to serve the electric loads of our customer-owners in a reliable and economically efficient manner, acting to optimize the value of our supply assets in order to minimize rates consistent with the fiscal health of the District.

III. Risk Philosophy

Under the Load Following Agreement with BPA, BPUD will be required to manage and procure for its load for any amounts above the BPA Tier 1 at-cost allocation either through BPA Tier 2 product election or through owned or contracted non-federal resources. BPUD will still face exposure to power and natural gas market price volatility for its Above High Water Mark Load ("AHWM") and non-federal resources. In managing this exposure, BPUD will not engage in speculative commodity trading and will limit commodity trading within established conservative parameters.

The use of derivatives (financial trades) including, but not limited to, forward swaps, puts, calls, collars, etc., is an important element of an effective utility power risk management policy. Financial trades (derivatives) are often preferred over "physical electricity" trades which involve the selling of physical power because:

- BPA has legal limitations on the selling of "physical electricity" out of region and forward beyond the one year, per BPA's 5b9c policy ~~last updated in April 2001~~;
- Forward physical trades create additional power scheduling requirements which can be challenging;
- Forward financial trades (selling beyond the current month) have become more liquid than physical trades: in other words, for a forward-month, it's easier to sell a financial contract and therefore get a better price;
- There is significant financial and operational threat of being physically short of supply.

Even with the BPA Load Following product, BPUD and TEA recognize the inherent financial risk associated with supply of the federal hydro system marketed by BPA.

IV. Goals of BPUD's Risk Management Program

- A. Manage the price and volume risk of its net position consistent with the risk tolerance of the BPUD Board of Commissioners ("the Board");
- B. Manage the credit risk of its receivables and movements in the forward market price (mark-to-market) for power, transmission, environmental attributes, and natural gas;
- C. Provide the requisite information to BPUD's officers given the responsibility for oversight of power management and the risks inherent in it;
- D. Allow those officers to proactively represent to the Board that appropriate diligence is being exercised regarding oversight of power supply activities.

V. Roles and Responsibilities of BPUD

- A. **Board of Commissioners** ~~—the Board of Commissioners of BPUD~~ reserve to themselves the approval of Policy for the District. By their approval of the risk management program they also undertake the following responsibilities:
 1. Understand the nature of the risks encountered in managing BPUD's resource portfolio;
 2. Understand the methods and procedures that will be employed to manage that risk;
 3. Approve amendments to these policies and risk limits;

4. Be updated periodically as to policy effectiveness.
5. Delegate the oversight of the risk management program to the BPUD Risk Management Committee (RMC); and
6. Approve transactions with a performance term longer than 12 months or forward transactions that extend more than 36 months into the future from the time the transaction is executed. The specific transaction authorities granted to the General Manager, or his designee, by the Board of Commissioners is provided in Appendix A. The specific types of transactions that the District may enter into are provided in Appendix A.

B. Risk Management Committee (RMC) ~~—the Risk Management Committee~~ has primary operational risk oversight for BPUD. The RMC shall be comprised of the following voting members: 1) BPUD’s General Manager, 2) BPUD’s Chief Financial Officer/Senior Director of Finance and Customer Services, 3) BPUD’s Treasurer, and 4) BPUD’s RMC Chair/Director of Power Management, and Manager of Risk Management and Treasury Operations. The RMC will meet at least quarterly and will prepare meeting minutes. Any tie votes shall be decided by the General Manager’s vote. TEA’s Account Director and trading and/or analytics staff will attend quarterly as non-voting members. Other BPUD and TEA staff may also be asked to attend meetings from time-to-time, as the RMC deems necessary. The Board shall delegate to the RMC ongoing maintenance and enforcement of BPUD’s approved policies and procedures for trading and risk management including edits to Appendix ~~CB~~. The responsibilities of the RMC shall be:

1. Monitor the market price and counterparty (CP) risk of BPUD’s individual portfolio to ensure that such risks are within tolerable limits and being managed in a manner consistent with these documented policies and procedures;
2. Receive monthly reports of performance against agreed upon benchmarks;
3. Approve procedural changes as recommended by TEA, and recommend policy changes to the Board;
4. Monitor any new counterparties and their credit limits, as recommended by TEA;
5. Review new products consistent with the District’s New Product Approval procedures, and recommend new products to the Board;
6. When determined to be beneficial by the RMC, Direct a third-party review of trading and risk management practices of the District, and TEA as it pertains to activities undertaken on behalf of the District, against the policies and procedures contained herein ~~no less than once every four years~~; review the results of that review and enforce compliance;
7. From time to time, and no less than once a year, review the District’s Risk Management and Trading Policies for suitability;
8. Following the reviews in 5 through 7 above, represent to the Board the sufficiency of TEA’s trading and risk management infrastructure and its overall compliance with the District’s policy and procedures.

~~C.A. BPUD Senior Director of Finance and Customer Services—BPUD’s Senior Director of Finance and Customer Services (Senior Director) functions as the chief~~

~~control officer of BPUD. In this capacity, the Senior Director carries the chief responsibility for the establishment and maintenance of risk management within BPUD. The Senior Director shall act as vice chair of the RMC and will assume the responsibilities of the RMC chair in the absence of the Director of Power Management. To further strengthen day-to-day control over risk management activities, the Senior Director has delegated specific responsibilities to BPUD's Manager of Risk Management and Treasury Operations. Acting as the primary representative of BPUD in the financial aspects of trading and risk management, the Senior Director, in conjunction with the BPUD's Manager of Risk Management and Treasury Operations will assure that the following responsibilities are carried out:~~

- ~~1. As a Member of the RMC, authorize and from time to time modify specific risk and trading limits as well as hedging methodologies;~~
- ~~2.1. Develop credit policies for BPUD; oversee negotiation of the requisite contracts;~~
- ~~3.1. Participate in the RMC with the purpose of understanding BPUD's risk position and the means to mitigate it;~~
- ~~4.1. Assume responsibility for the results of the activities undertaken on BPUD's behalf;~~
- ~~5.1. Monitor risk reports between RMC meetings in conjunction with BPUD's Director of Power Management;~~
- ~~6.1. Ensure that compliance with all policies and limits is maintained; represent that fact to the Board;~~
- ~~7.1. Assume the responsibilities of the RMC chair in the absence of the Director of Power Management.~~

D.C. BPUD Manager of Power Supply and Transmission Service~~Director of Power Management~~ — the ~~Director of Power Management~~ will serve as the ~~RMC Chair of the RMC~~ and will work closely with the ~~CFO Senior Director~~ to establish, implement and monitor BPUD's risk management program. The ~~RMC Chair Director of Power Management~~ will act as the primary representative of BPUD in the operational aspects of trading and risk management. In this capacity, the ~~RMC Chair Director of Power Management~~ will have the following duties and responsibilities:

1. Transaction approval when beyond TEA's limits;
2. Monitor risk reports between RMC meetings in conjunction with BPUD's ~~CFO Senior Director~~;
3. Along with the ~~CFO Senior Director~~, assume responsibility for the results of activities undertaken on BPUD's behalf;
4. Review of trade tickets, beyond preschedule, received from TEA; trade ticket reviews may be completed by the ~~RMC Chair's Director of Power Management's~~ designee
5. Receive and execute deal confirmations; TEA shall direct counterparties to send deal confirmations either (1) directly to the ~~RMC Chair Director of Power Management~~ rather than to TEA for subsequent transmittal to BPUD when deals are paper confirmed or (2) to load electronically confirmed deals to Intercontinental Exchange's eConfirm platform; the execution of electronically confirmed deals may be completed by the ~~RMC Chair's Director of Power~~

- ~~Management's~~ designee;
- 6. Serve as the District's Contract Administrator of the Resource Management Agreement between BPUD and TEA. A copy of TEA's transaction authorities and responsibilities is included in Appendix ~~BC~~;
- 7. Ensure accuracy of RMC meeting minutes.

D. BPUD Chief Financial Officer (CFO) Senior Director of Finance and Customer Services — ~~BPUD's Senior Director of Finance and Customer Services (Senior Director) will serve as the RMC Vice Chair. The CFO functions as the chief control officer of BPUD. In this capacity, the CFO Senior Director carries the chief responsibility for the establishment and maintenance of risk management within BPUD. The Senior Director shall act as vice chair of the RMC and will assume the responsibilities of the RMC chair in the absence of the Director of Power Management. To further strengthen day to day control over risk management activities, the Senior Director has delegated specific responsibilities to BPUD's Manager of Risk Management and Treasury Operations. Acting as the primary representative of BPUD in the financial aspects of trading and risk management, the CFO Senior Director, in conjunction with the BPUD's Treasurer Manager of Risk Management and Treasury Operations will assure that the following responsibilities are carried out:~~

- 1. As a Member of the RMC, authorize and from time to time modify specific risk and trading limits as well as hedging methodologies;
- 2. Develop credit policies for BPUD; oversee negotiation of the requisite contracts;
- 3. Participate in the RMC with the purpose of understanding BPUD's risk position and the means to mitigate it;
- 4. Assume responsibility for the results of the activities undertaken on BPUD's behalf;
- 5. Monitor risk reports between RMC meetings in conjunction with ~~the RMC Chair~~ BPUD's Director of Power Management;
- 6. Ensure that compliance with all policies and limits is maintained; represent that fact to the Board;
- 7. As RMC Vice Chair, assume the responsibilities of the RMC Chair in their absence of the Director of Power Management.

~~7.~~ _____

VI. Risk Management and Credit Policies

A. Risk Policies

- 1. The approved scope of market participation by BPUD is limited to those activities required to capture optimum value from BPUD's resource portfolio without engaging in speculative trading activity (see Appendix A for a list of approved transactions). Within the constraints of this policy, BPUD recognizes that while the application of expertise must be employed in managing BPUD's resource portfolio, staff can exercise some discretion on timing. It is not the intent of this policy to restrain the legitimate application of analysis to the optimization of resources. It is, however, the express intent to prohibit the acquisition of

additional exposure to price and volume risk beyond that encountered in the efficient optimization of BPUD's resource portfolio. In the event questions arise as to whether a transaction is consistent with this intent it shall be discussed among the RMC and the rationale will be documented in the RMC minutes.

Benton acknowledges that engaging in intra-day and intra-week (up to 10 days) price arbitrage trading strategies utilizing the District's owned and contracted for non-federal resources is consistent with this policy. Environmental attribute arbitrage between years of a compliance period are also recognized as consistent with this policy.

Given the uncertainty in forecasting generation output from BPUD's non-federal resource portfolio, particularly as it relates to annual resource output, BPUD recognizes the basic tension between maximizing the value of surplus power through forward power sales and the potential cost of being short if resources perform below expectations and/or the resource experiences unit or plant outages. BPUD has chosen to balance the risk of being caught short as a result of selling too much power forward with the risk of not optimizing the value of generation surplus to its needs.

The RMC has approved the use of TEA's current probabilistic model (TEA Model) of BPUD's net power costs under a variety of generation conditions for the resources, BPUD load, and market price scenarios as the basis for the following guidelines:

- BPUD may transact the sale of physically forward portfolio surplus up to 12 months.
 - BPUD may financially forward sell its forecast portfolio surplus(es) to lock in revenue certainty as indicated by the TEA model and demonstration of a significant increase in the likelihood of lower net power costs.
 - Financial hedging strategies, such as purchase of put options or forward sales with equivalent call options purchased as back-up, may be employed to execute any forward sale decisions.
2. TEA will inform the RMC at least quarterly of a range of percentile values of net power costs from the TEA Model.
 3. All physical forward transactions will be consistent with BPA's 5(b)9(c) policy.
 4. Financial derivatives will be used for the purpose of hedging the reasonably expected physical position.
 5. Natural gas forward purchases may be executed only to the extent necessary to support or hedge a forward wholesale power sale, or an expected wholesale power sale, or to manage costs associated with a purchase or load service.
 6. PTP transmission service rights that are excess to BPUD needs for marketing its non-federal resources can be resold.
 7. In an effort to improve the marketability and liquidity of gas for power hedges beyond six months, the District may enter into a financial hedge at Henry Hub

in lieu of Sumas/Huntingdon. In order to mitigate the basis risk between Henry Hub and Sumas, the District will convert Henry Hub hedges to Sumas hedges, either through physical or through financial methods, no later than 6-months before delivery. Staff will promptly notify the Commission of all instances where such hedges are not in place within 6-months of delivery.

8. Environmental attribute transactions are intended to monetize existing district resources while also meeting the District's forecasted regulatory compliance requirements.

B. Credit Policy – BPUD recognizes the potential for significant losses due to events of financial default or the failure to perform regarding contracted takes and deliveries. In order to manage that credit risk, BPUD has established the following policies:

1. Where practicable, all physical transactions must be executed under an approved master agreement (e.g., WSPP, EEI). Should the need to execute across a long form confirmation arise, a thorough review will be undertaken to ensure necessary protections are in place to avoid assuming unnecessary risk and those transactions will be limited to Environmental Products.
2. All financial transactions must be executed under an ISDA. Enabling agreements for transmission sales and purchases are not required with BPA transmission customers. However, the BPA transmission customer must have a master agreement in place.
3. Commodity transactions, both physical and financial, will be entered into with credit approved and creditworthy CP's only.
4. Recognizing all the BPUD power transactions in day ahead and real time are traded as principal with TEA at a credit limit of \$3,500,000, BPUD has agreed to utilize TEA's credit limit and enabling contracts for these transactions. The CP credit limits discussed below shall not apply to these transactions. However, TEA will provide monthly reports to the RMC that show the credit exposure to all CP's from trading as principal. The RMC will monitor these reports and can notify TEA at any time to cease trading with a CP.
5. BPUD will utilize TEA's system for establishing the creditworthiness and credit limits for CP's for all transactions, physical and financial, not traded as principal. BPUD's credit limits will be scaled from TEA's limits as follows:
 - CP's with a TEA credit limit of \$15M or greater, will be allocated a \$4M Benton credit limit.
 - CP's with a TEA credit limit from \$6M to \$15M will be allocated a \$3M Benton credit limit.
 - CP's with a TEA credit limit less than \$6M, will be allocated a credit limit based on the following scaled equation:
 - \$3M multiplied by TEA's credit limit, divided by \$6M.
6. TEA will continuously scan national information on creditworthiness of CP's and BPUD's credit limits will immediately change based on changes made by TEA.
7. BPUD will not take action that would incur a credit exposure with any CP greater than \$4M, without Board approval; however, market price changes can cause CP credit exposure to increase beyond \$4M. The Board recognizes that credit concentration limits are generally a good method to help reduce BPUD risk. But

the Board also recognizes that with the limited number of active CP's available to BPUD, concentration limits do not function properly. The RMC should diversify its exposure as much as practical.

8. The RMC shall provide oversight regarding credit matters in lieu of the Board. As required, a review of new credit and credit documentation issues will be included at each monthly RMC meeting. The Board will receive monthly reports on CP credit status.
 9. When the sum of CP's net mark-to-market, unbilled trading activity and payables/receivables balance reaches 85% of its Counterparty Credit Limit, it will be placed on Credit Watch. At that point, the RMC will designate action, which shall be taken if the CP reaches its Credit Limit. The Board will be routinely informed of credit status actions taken by the RMC.
 10. The status of credit risk will be tracked by CP and the information made available in a timely manner to both the trading organizations and those responsible for risk oversight; credit reporting will be on a daily basis;
 11. BPUD shall not intentionally exceed the Counterparty Credit Limit or the Counterparty Credit Concentration Limit, if any, with any CP without the approval of the RMC; the RMC may grant TEA the authority to make short-term exceptions as necessary to accommodate operational requirements. Similarly, the RMC understands that changes in MTM value can result in credit exposures beyond the assigned credit limit.
 12. BPUD or TEA, as agent, may not provide credit intermediation ("sleeving") services for wholesale commodity market participants.
 13. Due to the absence of credit risk, real-time purchases can be made from any CP whether or not the CP has been approved for trading by the RMC.
 14. BPUD understands that transacting over the counter (OTC) swaps carries an additional Commodity Futures Trading Commission (CFTC) reporting function. Once required by the CFTC, BPUD will report on how BPUD generally meets its financial obligations associated with entering into non-cleared swaps in a manner acceptable to the CFTC.
- C. New Product Approval Policy** – As markets evolve, the District may consider using new products offered by an approved CP to hedge volume, price, credit and/or compliance risk. All new products must be approved by the District's Commission upon a recommendation from the RMC. Prior to approving and executing a new product, the RMC is responsible for ensuring that each new product meets the following criteria which will be documented in the RMC minutes.
1. All risks and rewards that may result from the new product are identified and understood by the RMC and TEA. This assessment will include both quantitative and qualitative analysis of the risks and benefits associated with the new product;
 2. The product can be priced through market discoveries and/or financial models maintained by the District or TEA. The methodology relied upon for pricing the product shall be explained to, and understood by, the District's RMC;
 3. A system is in place for capturing the transaction, and for providing ongoing valuation and risk monitoring of the product;

4. Accounting policies associated with the product have been identified and can be implemented by the District;
5. Contract terms are unambiguous and have been reviewed and approved by the District's legal counsel, if applicable;
6. Support staff (District and TEA) involved in transaction processing (confirmations, scheduling, settlements, and accounting) have received adequate training and can demonstrate an understanding of the product.

D. Reporting – the following reports will be produced on the indicated schedule for the guidance of the RMC and TEA staff involved in trading and risk management:

1. A monthly net position report, showing BPUD's surplus (deficit) in average megawatts across the balance of the month and 12 forward months;
2. A daily mark-to-market report showing the Net Power Cost (NPC - the projected net of all wholesale power costs minus all wholesale power revenues using year-to-date actuals consistent with financial statements and forecasts based on expected District's portfolio resource generation and forward gas and electricity prices) for the current year;
3. A daily mark-to-market report showing the NPC for the prompt year;
4. A daily credit report showing the sum of receivables (payables) and mark-to-market benefit (cost) by CP;
5. A daily report showing all CP's with 85% of credit limit including exposure from trading as principal when Benton has a contract and approved credit limit for that CP.

Revision History:

Resolution No. 2643, 8/22/23, Revising Power Risk Management and Trading Policies

Resolution No. 2580, 9/28/21, *Revising Power Risk Management and Trading Policies*

Resolution No. 2558, 11/10/20, *Revising Power Risk Management and Trading Policies*

Resolution No. 2543, 5/12/20, *Revising Power Risk Management and Trading Policies*

Resolution No. 2507, 6/25/19, *Revising Power Risk Management and Trading Policies*

Resolution No. 2459, 6/26/18, *Revising Power Risk Management and Trading Policies*

Resolution No. 2398, 3/07/17, *Revising Power Risk Management and Trading Policies*

Resolution No. 2371, 8/09/16, *Revising Power Risk Management and Trading Policies*

Resolution No. 2367, 6/28/16, *Revising Power Risk Management and Trading Policies*

Resolution No. 2320, 6/23/15, *Revising Power Risk Management and Trading Policies*

Resolution No. 2275, 5/27/14, *Revising Power Risk Management and Trading Policies*

Resolution No. 2237, 8/27/13, *Revising Power Risk Management and Trading Policies*

Resolution No. 2231, 4/23/13, *Revising Power Risk Management and Trading Policies*

Resolution No. 2083, 3/23/10, *Revising Risk Management and Trading Policies for Power, Environmental Attributes, Transmission, and Natural Gas*

Resolution No. 1954, 6/26/07, *Revising Risk Management and Trading Policies for Power, Environmental Attributes, and Natural Gas*

Resolution No. 1933, 2/27/07, *Revising Risk Management and Trading Policies for Power and Natural Gas*

Resolution No. 1888, 4/25/06, *Revising Risk Management and Trading Policies - Swing Swaps of Natural Gas*

Resolution No. 1820, 1/25/05, *Revising Risk Management and Trading Policy for Power and Natural Gas Sales & Purchases*

Resolution No. 1770, 12/09/03, *Risk Management and Trading Policies for Slice*

Resolution No. 1664, 8/14/01, *Adopting Risk Management and Trading Policies for Slice and Directing Staff to Follow and Implement Said Policies*

Appendix A Transaction Approval Authorities Granted to General Manager

Long standing utility practice and the general course of business for energy transactions in the western United States marketplace require immediate action by the District's power management staff and/or its agent (TEA) in order to capture short-term market sale and purchase opportunities. There is insufficient time for adoption of a separate Commission resolution for each transaction. Failure to adopt a mechanism for District staff to take immediate action creates the potential for the District to be economically disadvantaged.

To enable the District to consummate transactions within the time constraints required by the energy marketplace, the following transaction approval authorities are granted to the General Manager. The Commission recognizes that the General Manager has delegated, as identified, the following authorities and requirements:

- Short-term transactions are defined as shorter than balance of month and are typically done on an hour ahead or preschedule basis. ~~In accordance with Task Order 1 of Exhibit B to the District's TEA-Resource Management Agreement, dated September 28, 2011, delegates authority to TEA,~~ has been delegated authority to buy and sell from/to BPUD, trading as principal, as follows:
 - TEA is authorized to establish preschedules for the wholesale power needs of the District. Such preschedules are normally for a period of 24 to 72 hours but may be for a period of up to 120 hours (Thanksgiving schedule: Thursday through Monday).
 - TEA is authorized to commit the District to daily sales and purchases of electricity, transmission and natural gas for a term of up to 120 hours. TEA will provide electronically to the District information on all transactions entered into the day they are made.
 - TEA is authorized to commit the District to sales and purchases of electric transmission service and associated ancillary services for a term of up to 120 hours. TEA will email to (or deliver by other agreed upon means) the District all transactions entered into the day they are made.
 - TEA is authorized to commit the District to short-term transmission and associated ancillary services, purchases and sales for a term of up to 31 days. TEA is authorized to enter into such transmission and ancillary services purchase or sale with any BPA Transmission Customer, regardless of the existence of any transmission or ancillary services trading enabling agreement between the District and such BPA Transmission Customer.

- Long-term transactions are defined as transactions that have duration equal to the balance of the current month or longer. TEA will act as the District's agent under all long-term transactions except for transmission which may be traded as principal. The

following policies and procedures will govern the execution of long-term transactions:

- TEA is authorized to commit the District to forward sales and purchases of electricity and natural gas as necessary to stay within risk limits set forth in the District's risk management policies and procedures. The term of any forward purchase or sale transaction shall not exceed 65 days from the date on which the forward transaction occurs. Additionally, the amount of electricity purchased or sold forward shall not

- exceed 25 MW per hour or 10,800 MWh, without the prior approval of the District's General Manager or authorized designee. -Any -amount of natural gas purchased or sold forward will be as part of a gas for power mitigation strategy. Any and all purchases or sales of electricity and natural gas beyond the aforementioned parameters will be forwarded to the District for approval by the General Manager or authorized designee.

~~○ TEA is authorized to commit the District to short term transmission and associated ancillary services, purchases and sales for a term of up to 31 days. TEA is authorized to enter into such transmission and ancillary services purchase or sale with any BPA Transmission Customer, regardless of the existence of any transmission or ancillary services trading enabling agreement between the District and such BPA Transmission Customer.~~

- The District's General Manager or designee is authorized to commit the District to electric energy, capacity, environmental product, and natural gas transactions, for contemporary or future delivery, without further action or approval by the Board of Commissioners provided that no transaction shall be for a duration in excess of one year, and the term of the agreement does not extend beyond three years into the future at the time the agreement is executed. In addition, transmission resale transactions can be executed for up to a maximum of 6 months from the date of execution.

- Strategies for long-term transactions will require approval of the District's RMC.

- Documentation of each long-term transaction authorized by the District shall be via email or fax or approved by a vote of the RMC. The RMC minutes will include documentation of approved transactions. The email/fax by the District authorizing TEA to transact shall be printed and held until the confirm and TEA trade ticket is completed. For paper confirmed transactions, the printed authorizing email/fax will be filed along with the confirm and trade ticket. For counterparties that are electronically confirming, the RMC Chair~~Director of Power Management~~ or designee will receive, compare to the trade ticket, and verify the information in the confirmation file created by TEA's Risk Control Group prior to loading into ICE's eConfirm. The printed authorizing email/fax, trade ticket, and screen capture of the eConfirm will be filed.

- Documentation of each transaction (composed of trade ticket, email/fax approval and confirm) shall include the following pre- and post-transaction information:
 - Description of the transaction
 - Effective date and term
 - Quantity
 - Financial or Physical transaction
 - Price targets or thresholds set by the District, if applicable
 - Evidence of District approval by email or fax
 - Actual transaction price

- Settlement terms
- Buy or sell
- Delivery point
- For options, option type, strike and execution instructions;
- For financial swaps, the reference index;
- Starting delivery date and hour;
- Ending delivery date and hour;
- Product or service type;
- Any other date, hour and/or capacity data needed to define a shaped product;
- Broker or electronic trading site and fee, if applicable;
- If the trade is a swap;
- Reporting Counterparty;
- Exemptions if any to clearing.

The General Manager is further authorized to execute on behalf of the District any necessary or appropriate enabling agreements setting general terms and conditions for short term electrical energy, capacity, Environmental Attributes, transmission or natural gas transactions provided that they comply with the guidelines and procedures contained herein.

Commodity	Physical or Financial *	Approved Products	Delivery Location	Duration
Electricity (including related transmission services)	Physical	Same day purchases and sales	BPA Main Grid; other points subject to procurement of transmission from source to sink	Next hour to balance of day
	Physical	Next day purchases and sales	BPA Main Grid; other points subject to procurement of transmission from source to sink	Preschedule period
	Physical Financial	Forward purchases and sales Fixed for Floating swaps	BPA Main Grid; other points subject to procurement of transmission from source to sink Mid C	Up to 36 months into future provided the term of any transaction does not exceed 12 months
	Physical	Energy exchanges	BPA Main Grid; other points subject to procurement of transmission from source to sink	Up to 36 months into future provided the term of any transaction does not exceed 12 months
	Physical	Purchase or sale of capacity or load factoring products (energy deliveries net to 0 MWh over a pre-established time period)	BPA Main Grid; other points subject to procurement of transmission from source to sink	Up to 36 months into future provided the term of any transaction

Commodity	Physical or Financial *	Approved Products	Delivery Location	Duration
				does not exceed 12 months
	Physical	Purchase of quarterly, monthly and daily call and put options	BPA Main Grid	Up to 36 months into future provided the term of any transaction does not exceed 12 months
	Financial	Purchase of daily call and put options	MidC	
	Financial	Purchase of quarterly and monthly call and put options	MidC	
	Financial	Purchase of quarterly and monthly call and put swaptions	MidC	
	Financial	Purchase of dual-trigger call options	MidC (Power) Pasco, Walla Walla, Spokane, or Yakima (Temperature)	
	Physical or Financial	Sale of tolling products indexed to performance of Frederickson	BPA Main Grid; other points subject to procurement of transmission from source to sink	Up to 36 months into future provided the term of any transaction does not exceed 12 months
Transmission Services Only	Physical	Short-term transmission capacity	Reserve PTP transmission service as needed to market District Resources.	Up to 36 months into future provided the term of any transaction
Natural Gas	Physical	Same day purchases and sales	Points on Northwest and Westcoast	Balance of day

Commodity	Physical or Financial *	Approved Products	Delivery Location	Duration
			Pipelines from which District has procured transportation capacity from receipt to delivery	
	Physical	Next day purchases and sales	Points on Northwest and Westcoast Pipelines from which District has procured transportation capacity from receipt to delivery	Preschedule period
	Physical	Forward purchases and sales	Points on Northwest and Westcoast Pipelines from which District has procured transportation capacity from receipt to delivery	Up to 36 months into future provided the term of any transaction does not exceed 12 months
	Financial	Fixed for Floating swaps	Sumas/Huntingdon and Henry Hub	All Henry Hub swaps are to be converted to Sumas basis no later than 6-months before delivery
	Financial	Swing swaps	Sumas/Huntingdon	
	Financial	Basis swaps	Sumas/Huntingdon and Henry Hub	

Commodity	Physical or Financial *	Approved Products	Delivery Location	Duration
	Physical	Purchase of Pipeline Transportation Capacity Assignment of Pipeline Transportation Capacity	Northwest and Westcoast Pipelines	Up to 36 months into future provided the term of any transaction does not exceed 12 months
	Financial	Foreign currency swaps relating to managing the exchange rate risk associated with natural gas commodity or transportation transactions denominated in Canadian dollars.	U.S. \$ / Canadian \$ exchange rate risk only.	Up to 36 months into future provided the term of any transaction does not exceed 12 months
	Physical	Purchase of quarterly, monthly and daily call and put options	Sumas/Huntingdon, Frederickson	Up to 36 months into future provided the term of any transaction does not exceed 12 months
	Financial	Purchase of daily call and put options	Sumas/Huntingdon	
	Financial	Purchase of quarterly and monthly call and put options	Sumas/Huntingdon	
	Financial	Purchase of quarterly and monthly call and put swaptions	Sumas/Huntingdon	
	Financial	Purchase of dual-trigger call options	Sumas/Huntingdon (Gas) Pasco, Walla Walla, Spokane, or Yakima (Temperature)	
Environmental	Financial	Sale of environmental	Not applicable	Any historical

Commodity	Physical or Financial *	Approved Products	Delivery Location	Duration
Attributes		<p>attributes (“green tags”) that accrue to the District as a result of a renewable resource purchase and that are surplus to the District’s statutory and/or regulatory requirements.</p> <p>Purchase of environmental attributes (“green tags”) to meet the District’s statutory and/or regulatory requirements.</p>		<p>and up to 36 months into future provided the term of any transaction does not exceed 12 months; trades beyond 36 months in duration must be approved by the Commission</p>
	Physical	Washington Carbon allowances for compliance with Washington Climate Commitment Act	Washington Compliant	<p>Any historical and up to 36 months into future provided the term of any transaction does not exceed 12 months; trades beyond 36 months in duration must be approved by the Commission</p>

Appendix **BC**

Swap Transaction Representative Selection and Monitoring

Effective Date: January 1, 2013

Type: Mandatory Policy

Applicable Departments: District wide

Purpose:

To ensure that BPUD, a Special Entity under the Dodd-Frank Financial Reform Act, selects a Qualified Independent Representative (“Representative”) to provide advice and guidance when entering into swap transactions with Swap Dealers or Major Swap Participants.

Definitions:

Swap Dealer – A swap market participant that acts as a dealer in commodity swaps. The term “Swap Dealer” is further defined in 7 U.S.C. 1a(49) and further interpreted in 17 C.F.R. 1.3(ggg).

Special Entity – A swap transaction counterparty that includes a state agency, city, county, municipality or other political subdivision of a state, or any instrumentality, department, or a corporation of or established by a State or political subdivision of a State. The term “Special Entity” is further defined in 7 U.S.C. 6s(h)(2)(C) and further interpreted in 17 C.F.R. 23.401(C).

Major Swap Participant – A swap market participant that maintains substantial positions in swaps such that the level of swap activity creates substantial counterparty exposure. The term “Major Swap Participant” is further defined in 7 U.S.C. 1a(33) and further interpreted in 17 C.F.R. 1.3(hhh).

Trade Option Exemption – An exemption from most Dodd-Frank swap regulations granted to certain physical commodity options. Recordkeeping and reporting requirement still apply. The requirements for the trade option exemption can be found in 17 C.F.R. 32.3.

End-User Exception – An exception from clearing granted to certain swap transaction used for hedging or mitigating commercial risk. The end-user exception is only available to non-financial entities. The requirements for the exception are outlined in 7 U.S.C. 2(h)(7)(A) and further interpreted in 17 C.F.R. 50.50.

Swap – In general terms, a swap includes most financially settled transactions not including futures or options on futures. The term “Swap” is further defined in 7 U.S.C. 1a(47) and further interpreted in 17 C.F.R. 1.3(xxx).

Qualified Independent Representative – a representative required of Special Entities before transacting swaps with Swap Dealers or Major Swap Participants. Among other tasks, the representative is required to evaluate fair pricing for the swap transaction, make timely disclosures to the Special Entity and act in the best interest of the Special Entity. An exhaustive list of the requirements for the representative can be found in 17 C.F.R. 23.450(b).

Policy:

Selection: BPUD shall endeavor to seek and employ an individual or entity that will voluntarily act as a Representative for all energy commodity swap transactions between BPUD and any Swap Dealer or Major Swap Participant. The Representative must meet the following qualifications identified in 17 C.F.R. 23.450(b):

- (i) Has sufficient knowledge to evaluate the transaction and risks;
- (ii) Is not subject to a statutory disqualification;
- (iii) Is independent of the swap dealer or major swap participant;
- (iv) Undertakes a duty to act in the best interests of the Special Entity it represents;
- (v) Makes appropriate and timely disclosures to the Special Entity;
- (vi) Evaluates, consistent with any guidelines provided by the Special Entity, fair pricing and the appropriateness of the swap; and
- (vii) In the case of a Special Entity as defined in § 23.401(c)(2) or (4), is subject to restrictions on certain political contributions imposed by the Commission, the Securities and Exchange Commission, or a self-regulatory organization subject to the jurisdiction of the Commission or the Securities and Exchange Commission; provided however, that this paragraph (b)(1)(vii) of this section shall not apply if the representative is an employee of the Special Entity.

The Representative and BPUD shall enter into a legal agreement that binds the Representative to comply with items (i) through (vii) in this policy.

BPUD shall annually review the performance of the Representative to ensure compliance with items (i) through (vii) in this policy.

Power Risk Management and Trading Policies

Benton PUD

I. Preamble

Effective October 1, 2001, Public Utility District No.1 of Benton County, Washington (“BPUD”) began purchasing its net requirements wholesale power supply from the Bonneville Power Administration (“BPA”) under a 10-year Slice/Block Power Purchase Agreement. The District signed a follow-on 20-year Slice/Block contract in 2008. The Slice of the System (“Slice”) product component of this agreement required BPUD to participate in wholesale power markets, both spot and forward, much more actively than was previously the case. Unlike the requirements contract BPUD held prior to October 2001, Slice generation availability was not a function of BPUD’s load. Slice generation is a function of conditions on the Columbia and Snake River systems and Columbia Generating Station availability. This feature of the Slice product resulted in surpluses and deficits of energy as compared to the loads served by BPUD. BPUD was required to use the wholesale power market to “shape” Slice generation to load and dispose of surplus power. The District has been a Slice / Block customer until giving BPA formal notice on September 27, 2022 during a BPA product switch public process that it planned to convert to the BPA Load Following Power Purchase Agreement on October 1, 2023.

Effective May 31, 1997, BPUD entered into a Point-to-Point Transmission Service Agreement, Contract 97TX-10041, with BPA which provided for transmission services that from time to time may be in excess of BPUD requirements and that BPUD may resell the excess. On June 7, 2022, BPUD entered into a Network Integration Transmission Service (“NITS”) Agreement with BPA effective October 1, 2023.

Additionally, it is apparent that long-term demand for low-cost Federal Power is far in excess of supply. BPUD does not expect that it will have access to low-cost Federal Power for all of its net requirements in future years.

Both BPUD and The Energy Authority, Inc. (“TEA”), its agent, have recognized the need for formalized and installed risk management processes and controls related to trading activities. To that end, BPUD wishes to document these policies and procedures. The present document speaks directly to the policies of BPUD in managing its exposure to wholesale energy commodity market prices and governing TEA’s trading activities in that regard. It reflects lessons learned to date, and these comprehensive policies and procedures comprise guidelines and requirements to be employed in managing the market risk inherent in BPUD’s trading activities.

II. Mission and Goal

We contribute high value to our community and customers by providing energy and related services using reliable and efficient delivery systems. Our goal is to serve the electric loads of our customer-owners in a reliable and economically efficient manner, acting to optimize the value of our supply assets in order to minimize rates consistent with the fiscal health of the District.

III. Risk Philosophy

Under the Load Following Agreement with BPA, BPUD will be required to manage and procure for its load for any amounts above the BPA Tier 1 at-cost allocation either through BPA Tier 2 product election or through owned or contracted non-federal resources. BPUD will still face exposure to power and natural gas market price volatility for its Above High Water Mark Load (“AHWM”) and non-federal resources. In managing this exposure, BPUD will not engage in speculative commodity trading and will limit commodity trading within established conservative parameters.

The use of derivatives (financial trades) including, but not limited to, forward swaps, puts, calls, collars, etc., is an important element of an effective utility power risk management policy. Financial trades (derivatives) are often preferred over "physical electricity" trades which involve the selling of physical power because:

- BPA has legal limitations on the selling of "physical electricity" out of region and forward beyond the one year, per BPA’s 5b9c policy;
- Forward physical trades create additional power scheduling requirements which can be challenging;
- Forward financial trades (selling beyond the current month) have become more liquid than physical trades: in other words, for a forward-month, it's easier to sell a financial contract and therefore get a better price;
- There is significant financial and operational threat of being physically short of supply.

Even with the BPA Load Following product, BPUD and TEA recognize the inherent financial risk associated with supply of the federal hydro system marketed by BPA.

IV. Goals of BPUD’s Risk Management Program

- A. Manage the price and volume risk of its net position consistent with the risk tolerance of the BPUD Board of Commissioners (“the Board”);
- B. Manage the credit risk of its receivables and movements in the forward market price (mark-to-market) for power, transmission, environmental attributes, and natural gas;
- C. Provide the requisite information to BPUD’s officers given the responsibility for oversight of power management and the risks inherent in it;
- D. Allow those officers to proactively represent to the Board that appropriate diligence is being exercised regarding oversight of power supply activities.

V. Roles and Responsibilities of BPUD

- A. **Board of Commissioners** reserve to themselves the approval of Policy for the District. By their approval of the risk management program they also undertake the following responsibilities:
 1. Understand the nature of the risks encountered in managing BPUD’s resource portfolio;
 2. Understand the methods and procedures that will be employed to manage that risk;
 3. Approve amendments to these policies and risk limits;

4. Be updated periodically as to policy effectiveness.
5. Delegate the oversight of the risk management program to the BPUD Risk Management Committee (RMC); and
6. Approve transactions with a performance term longer than 12 months or forward transactions that extend more than 36 months into the future from the time the transaction is executed. The specific transaction authorities granted to the General Manager, or his designee, by the Board of Commissioners is provided in Appendix A. The specific types of transactions that the District may enter into are provided in Appendix A.

B. Risk Management Committee (RMC) has primary operational risk oversight for BPUD. The RMC shall be comprised of the following voting members: 1) BPUD's General Manager, 2) BPUD's Chief Financial Officer, 3) BPUD's Treasurer, and 4) BPUD's RMC Chair. The RMC will meet at least quarterly and will prepare meeting minutes. Any tie votes shall be decided by the General Manager's vote. TEA's Account Director and trading and/or analytics staff will attend quarterly as non-voting members. Other BPUD and TEA staff may also be asked to attend meetings from time-to-time, as the RMC deems necessary. The Board shall delegate to the RMC ongoing maintenance and enforcement of BPUD's approved policies and procedures for trading and risk management including edits to Appendix B. The responsibilities of the RMC shall be:

1. Monitor the market price and counterparty (CP) risk of BPUD's individual portfolio to ensure that such risks are within tolerable limits and being managed in a manner consistent with these documented policies and procedures;
2. Receive monthly reports of performance against agreed upon benchmarks;
3. Approve procedural changes as recommended by TEA, and recommend policy changes to the Board;
4. Monitor any new counterparties and their credit limits, as recommended by TEA;
5. Review new products consistent with the District's New Product Approval procedures, and recommend new products to the Board;
6. When determined to be beneficial by the RMC, direct a third-party review of trading and risk management practices of the District, and TEA as it pertains to activities undertaken on behalf of the District, against the policies and procedures contained herein; review the results of that review and enforce compliance;
7. From time to time, and no less than once a year, review the District's Risk Management and Trading Policies for suitability;
8. Following the reviews in 5 through 7 above, represent to the Board the sufficiency of TEA's trading and risk management infrastructure and its overall compliance with the District's policy and procedures.

C. BPUD Manager of Power Supply and Transmission Service will serve as the RMC Chair and will work closely with the CFO to establish, implement and monitor BPUD's risk management program. The RMC Chair will act as the primary representative of BPUD in the operational aspects of trading and risk management.

In this capacity, the RMC Chair will have the following duties and responsibilities:

1. Transaction approval when beyond TEA's limits;
2. Monitor risk reports between RMC meetings in conjunction with BPUD's CFO;
3. Along with the CFO, assume responsibility for the results of activities undertaken on BPUD's behalf;
4. Review of trade tickets, beyond preschedule, received from TEA; trade ticket reviews may be completed by the RMC Chair's designee
5. Receive and execute deal confirmations; TEA shall direct counterparties to send deal confirmations either (1) directly to the RMC Chair rather than to TEA for subsequent transmittal to BPUD when deals are paper confirmed or (2) to load electronically confirmed deals to Intercontinental Exchange's eConfirm platform; the execution of electronically confirmed deals may be completed by the RMC Chair's designee;
6. Serve as the District's Contract Administrator of the Resource Management Agreement between BPUD and TEA. A copy of TEA's transaction authorities and responsibilities is included in Appendix B;
7. Ensure accuracy of RMC meeting minutes.

D. BPUD Chief Financial Officer (CFO) will serve as the RMC Vice Chair. The CFO functions as the chief control officer of BPUD. In this capacity, the CFO carries the chief responsibility for the establishment and maintenance of risk management within BPUD. Acting as the primary representative of BPUD in the financial aspects of trading and risk management, the CFO, in conjunction with the BPUD's Treasurer will assure that the following responsibilities are carried out:

1. As a Member of the RMC, authorize and from time to time modify specific risk and trading limits as well as hedging methodologies;
2. Develop credit policies for BPUD; oversee negotiation of the requisite contracts;
3. Participate in the RMC with the purpose of understanding BPUD's risk position and the means to mitigate it;
4. Assume responsibility for the results of the activities undertaken on BPUD's behalf;
5. Monitor risk reports between RMC meetings in conjunction with the RMC Chair;
6. Ensure that compliance with all policies and limits is maintained; represent that fact to the Board;
7. As RMC Vice Chair, assume the responsibilities of the RMC Chair in their absence.

VI. Risk Management and Credit Policies

A. Risk Policies

1. The approved scope of market participation by BPUD is limited to those activities required to capture optimum value from BPUD's resource portfolio without engaging in speculative trading activity (see Appendix A for a list of approved transactions). Within the constraints of this policy, BPUD recognizes that while the application of expertise must be employed in managing BPUD's resource portfolio, staff can exercise some discretion on timing. It is not the intent of this policy to restrain the legitimate application of analysis to the optimization of

resources. It is, however, the express intent to prohibit the acquisition of additional exposure to price and volume risk beyond that encountered in the efficient optimization of BPUD's resource portfolio. In the event questions arise as to whether a transaction is consistent with this intent it shall be discussed among the RMC and the rationale will be documented in the RMC minutes.

Benton acknowledges that engaging in intra-day and intra-week (up to 10 days) price arbitrage trading strategies utilizing the District's owned and contracted for non-federal resources is consistent with this policy. Environmental attribute arbitrage between years of a compliance period are also recognized as consistent with this policy.

Given the uncertainty in forecasting generation output from BPUD's non-federal resource portfolio, particularly as it relates to annual resource output, BPUD recognizes the basic tension between maximizing the value of surplus power through forward power sales and the potential cost of being short if resources perform below expectations and/or the resource experiences unit or plant outages. BPUD has chosen to balance the risk of being caught short as a result of selling too much power forward with the risk of not optimizing the value of generation surplus to its needs.

The RMC has approved the use of TEA's current probabilistic model (TEA Model) of BPUD's net power costs under a variety of generation conditions for the resources, BPUD load, and market price scenarios as the basis for the following guidelines:

- BPUD may transact the sale of physically forward portfolio surplus up to 12 months.
 - BPUD may financially forward sell its forecast portfolio surplus(es) to lock in revenue certainty as indicated by the TEA model and demonstration of a significant increase in the likelihood of lower net power costs.
 - Financial hedging strategies, such as purchase of put options or forward sales with equivalent call options purchased as back-up, may be employed to execute any forward sale decisions.
2. TEA will inform the RMC at least quarterly of a range of percentile values of net power costs from the TEA Model.
 3. All physical forward transactions will be consistent with BPA's 5(b)9(c) policy.
 4. Financial derivatives will be used for the purpose of hedging the reasonably expected physical position.
 5. Natural gas forward purchases may be executed only to the extent necessary to support or hedge a forward wholesale power sale, or an expected wholesale power sale, or to manage costs associated with a purchase or load service.
 6. PTP transmission service rights that are excess to BPUD needs for marketing its non-federal resources can be resold.
 7. In an effort to improve the marketability and liquidity of gas for power hedges

beyond six months, the District may enter into a financial hedge at Henry Hub in lieu of Sumas/Huntingdon. In order to mitigate the basis risk between Henry Hub and Sumas, the District will convert Henry Hub hedges to Sumas hedges, either through physical or through financial methods, no later than 6-months before delivery. Staff will promptly notify the Commission of all instances where such hedges are not in place within 6-months of delivery.

8. Environmental attribute transactions are intended to monetize existing district resources while also meeting the District's forecasted regulatory compliance requirements.

B. Credit Policy – BPUD recognizes the potential for significant losses due to events of financial default or the failure to perform regarding contracted takes and deliveries. In order to manage that credit risk, BPUD has established the following policies:

1. Where practicable, all physical transactions must be executed under an approved master agreement (e.g., WSPP, EEI). Should the need to execute across a long form confirmation arise, a thorough review will be undertaken to ensure necessary protections are in place to avoid assuming unnecessary risk and those transactions will be limited to Environmental Products.
2. All financial transactions must be executed under an ISDA. Enabling agreements for transmission sales and purchases are not required with BPA transmission customers. However, the BPA transmission customer must have a master agreement in place.
3. Commodity transactions, both physical and financial, will be entered into with credit approved and creditworthy CP's only.
4. Recognizing all the BPUD power transactions in day ahead and real time are traded as principal with TEA at a credit limit of \$3,500,000, BPUD has agreed to utilize TEA's credit limit and enabling contracts for these transactions. The CP credit limits discussed below shall not apply to these transactions. However, TEA will provide monthly reports to the RMC that show the credit exposure to all CP's from trading as principal. The RMC will monitor these reports and can notify TEA at any time to cease trading with a CP.
5. BPUD will utilize TEA's system for establishing the creditworthiness and credit limits for CP's for all transactions, physical and financial, not traded as principal. BPUD's credit limits will be scaled from TEA's limits as follows:
 - CP's with a TEA credit limit of \$15M or greater, will be allocated a \$4M Benton credit limit.
 - CP's with a TEA credit limit from \$6M to \$15M will be allocated a \$3M Benton credit limit.
 - CP's with a TEA credit limit less than \$6M, will be allocated a credit limit based on the following scaled equation:
 - \$3M multiplied by TEA's credit limit, divided by \$6M.
6. TEA will continuously scan national information on creditworthiness of CP's and BPUD's credit limits will immediately change based on changes made by TEA.
7. BPUD will not take action that would incur a credit exposure with any CP greater than \$4M, without Board approval; however, market price changes can cause CP credit exposure to increase beyond \$4M. The Board recognizes that credit

concentration limits are generally a good method to help reduce BPUD risk. But the Board also recognizes that with the limited number of active CP's available to BPUD, concentration limits do not function properly. The RMC should diversify its exposure as much as practical.

8. The RMC shall provide oversight regarding credit matters in lieu of the Board. As required, a review of new credit and credit documentation issues will be included at each monthly RMC meeting. The Board will receive monthly reports on CP credit status.
 9. When the sum of CP's net mark-to-market, unbilled trading activity and payables/receivables balance reaches 85% of its Counterparty Credit Limit, it will be placed on Credit Watch. At that point, the RMC will designate action, which shall be taken if the CP reaches its Credit Limit. The Board will be routinely informed of credit status actions taken by the RMC.
 10. The status of credit risk will be tracked by CP and the information made available in a timely manner to both the trading organizations and those responsible for risk oversight; credit reporting will be on a daily basis;
 11. BPUD shall not intentionally exceed the Counterparty Credit Limit or the Counterparty Credit Concentration Limit, if any, with any CP without the approval of the RMC; the RMC may grant TEA the authority to make short-term exceptions as necessary to accommodate operational requirements. Similarly, the RMC understands that changes in MTM value can result in credit exposures beyond the assigned credit limit.
 12. BPUD or TEA, as agent, may not provide credit intermediation ("sleeving") services for wholesale commodity market participants.
 13. Due to the absence of credit risk, real-time purchases can be made from any CP whether or not the CP has been approved for trading by the RMC.
 14. BPUD understands that transacting over the counter (OTC) swaps carries an additional Commodity Futures Trading Commission (CFTC) reporting function. Once required by the CFTC, BPUD will report on how BPUD generally meets its financial obligations associated with entering into non-cleared swaps in a manner acceptable to the CFTC.
- C. New Product Approval Policy** – As markets evolve, the District may consider using new products offered by an approved CP to hedge volume, price, credit and/or compliance risk. All new products must be approved by the District's Commission upon a recommendation from the RMC. Prior to approving and executing a new product, the RMC is responsible for ensuring that each new product meets the following criteria which will be documented in the RMC minutes.
1. All risks and rewards that may result from the new product are identified and understood by the RMC and TEA. This assessment will include both quantitative and qualitative analysis of the risks and benefits associated with the new product;
 2. The product can be priced through market discoveries and/or financial models maintained by the District or TEA. The methodology relied upon for pricing the product shall be explained to, and understood by, the District's RMC;
 3. A system is in place for capturing the transaction, and for providing ongoing

valuation and risk monitoring of the product;

4. Accounting policies associated with the product have been identified and can be implemented by the District;
 5. Contract terms are unambiguous and have been reviewed and approved by the District's legal counsel, if applicable;
 6. Support staff (District and TEA) involved in transaction processing (confirmations, scheduling, settlements, and accounting) have received adequate training and can demonstrate an understanding of the product.
- D. Reporting** – the following reports will be produced on the indicated schedule for the guidance of the RMC and TEA staff involved in trading and risk management:
1. A monthly net position report, showing BPUD's surplus (deficit) in average megawatts across the balance of the month and 12 forward months;
 2. A daily mark-to-market report showing the Net Power Cost (NPC - the projected net of all wholesale power costs minus all wholesale power revenues using year-to-date actuals consistent with financial statements and forecasts based on expected District's portfolio resource generation and forward gas and electricity prices) for the current year;
 3. A daily mark-to-market report showing the NPC for the prompt year;
 4. A daily credit report showing the sum of receivables (payables) and mark-to-market benefit (cost) by CP;
 5. A daily report showing all CP's with 85% of credit limit including exposure from trading as principal when Benton has a contract and approved credit limit for that CP.

Revision History:

Resolution No. 2643, 8/22/23, *Revising Power Risk Management and Trading Policies*

Resolution No. 2580, 9/28/21, *Revising Power Risk Management and Trading Policies*

Resolution No. 2558, 11/10/20, *Revising Power Risk Management and Trading Policies*

Resolution No. 2543, 5/12/20, *Revising Power Risk Management and Trading Policies*

Resolution No. 2507, 6/25/19, *Revising Power Risk Management and Trading Policies*

Resolution No. 2459, 6/26/18, *Revising Power Risk Management and Trading Policies*

Resolution No. 2398, 3/07/17, *Revising Power Risk Management and Trading Policies*

Resolution No. 2371, 8/09/16, *Revising Power Risk Management and Trading Policies*

Resolution No. 2367, 6/28/16, *Revising Power Risk Management and Trading Policies*

Resolution No. 2320, 6/23/15, *Revising Power Risk Management and Trading Policies*

Resolution No. 2275, 5/27/14, *Revising Power Risk Management and Trading Policies*

Resolution No. 2237, 8/27/13, *Revising Power Risk Management and Trading Policies*

Resolution No. 2231, 4/23/13, *Revising Power Risk Management and Trading Policies*

Resolution No. 2083, 3/23/10, *Revising Risk Management and Trading Policies for Power, Environmental Attributes, Transmission, and Natural Gas*

Resolution No. 1954, 6/26/07, *Revising Risk Management and Trading Policies for Power, Environmental Attributes, and Natural Gas*

Resolution No. 1933, 2/27/07, *Revising Risk Management and Trading Policies for Power and Natural Gas*

Resolution No. 1888, 4/25/06, *Revising Risk Management and Trading Policies - Swing Swaps of Natural Gas*

Resolution No. 1820, 1/25/05, *Revising Risk Management and Trading Policy for Power and Natural Gas Sales & Purchases*

Resolution No. 1770, 12/09/03, *Risk Management and Trading Policies for Slice*

Resolution No. 1664, 8/14/01, *Adopting Risk Management and Trading Policies for Slice and Directing Staff to Follow and Implement Said Policies*

Appendix A Transaction Approval Authorities Granted to General Manager

Long standing utility practice and the general course of business for energy transactions in the western United States marketplace require immediate action by the District's power management staff and/or its agent (TEA) in order to capture short-term market sale and purchase opportunities. There is insufficient time for adoption of a separate Commission resolution for each transaction. Failure to adopt a mechanism for District staff to take immediate action creates the potential for the District to be economically disadvantaged.

To enable the District to consummate transactions within the time constraints required by the energy marketplace, the following transaction approval authorities are granted to the General Manager. The Commission recognizes that the General Manager has delegated, as identified, the following authorities and requirements:

- Short-term transactions are defined as shorter than balance of month and are typically done on an hour ahead or preschedule basis. In accordance with Task Order 1 of the District's Resource Management Agreement, TEA has been delegated authority to buy and sell from/to BPUD, trading as principal, as follows:
 - TEA is authorized to establish preschedules for the wholesale power needs of the District. Such preschedules are normally for a period of 24 to 72 hours but may be for a period of up to 120 hours (Thanksgiving schedule: Thursday through Monday).
 - TEA is authorized to commit the District to daily sales and purchases of electricity, transmission and natural gas for a term of up to 120 hours. TEA will provide electronically to the District information on all transactions entered into the day they are made.
 - TEA is authorized to commit the District to sales and purchases of electric transmission service and associated ancillary services for a term of up to 120 hours. TEA will email to (or deliver by other agreed upon means) the District all transactions entered into the day they are made.
 - TEA is authorized to commit the District to short-term transmission and associated ancillary services, purchases and sales for a term of up to 31 days. TEA is authorized to enter into such transmission and ancillary services purchase or sale with any BPA Transmission Customer, regardless of the existence of any transmission or ancillary services trading enabling agreement between the District and such BPA Transmission Customer.
- Long-term transactions are defined as transactions that have duration equal to the balance of the current month or longer. TEA will act as the District's agent under all long-term transactions except for transmission which may be traded as principal. The following policies and procedures will govern the execution of long-term transactions:

- TEA is authorized to commit the District to forward sales and purchases of electricity and natural gas as necessary to stay within risk limits set forth in the District's risk management policies and procedures. The term of any forward purchase or sale transaction shall not exceed 65 days from the date on which the forward transaction occurs. Additionally, the amount of electricity purchased or sold forward shall not exceed 25 MW per hour or 10,800 MWh, without the prior approval of the District's General Manager or authorized designee. Any amount of natural gas purchased or sold forward will be as part of a gas for power mitigation strategy. Any and all purchases or sales of electricity and natural gas beyond the aforementioned parameters will be forwarded to the District for approval by the General Manager or authorized designee.
- The District's General Manager or designee is authorized to commit the District to electric energy, capacity, environmental product, and natural gas transactions, for contemporary or future delivery, without further action or approval by the Board of Commissioners provided that no transaction shall be for a duration in excess of one year, and the term of the agreement does not extend beyond three years into the future at the time the agreement is executed. In addition, transmission resale transactions can be executed for up to a maximum of 6 months from the date of execution.
- Strategies for long-term transactions will require approval of the District's RMC.
- Documentation of each long-term transaction authorized by the District shall be via email or fax or approved by a vote of the RMC. The RMC minutes will include documentation of approved transactions. The email/fax by the District authorizing TEA to transact shall be printed and held until the confirm and TEA trade ticket is completed. For paper confirmed transactions, the printed authorizing email/fax will be filed along with the confirm and trade ticket. For counterparties that are electronically confirming, the RMC Chair or designee will receive, compare to the trade ticket, and verify the information in the confirmation file created by TEA's Risk Control Group prior to loading into ICE's eConfirm. The printed authorizing email/fax, trade ticket, and screen capture of the eConfirm will be filed.
- Documentation of each transaction (composed of trade ticket, email/fax approval and confirm) shall include the following pre- and post-transaction information:
 - Description of the transaction
 - Effective date and term
 - Quantity
 - Financial or Physical transaction
 - Price targets or thresholds set by the District, if applicable
 - Evidence of District approval by email or fax
 - Actual transaction price
 - Settlement terms
 - Buy or sell
 - Delivery point

- For options, option type, strike and execution instructions;
- For financial swaps, the reference index;
- Starting delivery date and hour;
- Ending delivery date and hour;
- Product or service type;
- Any other date, hour and/or capacity data needed to define a shaped product;
- Broker or electronic trading site and fee, if applicable;
- If the trade is a swap;
- Reporting Counterparty;
- Exemptions if any to clearing.

The General Manager is further authorized to execute on behalf of the District any necessary or appropriate enabling agreements setting general terms and conditions for short term electrical energy, capacity, Environmental Attributes, transmission or natural gas transactions provided that they comply with the guidelines and procedures contained herein.

Commodity	Physical or Financial *	Approved Products	Delivery Location	Duration
Electricity (including related transmission services)	Physical	Same day purchases and sales	BPA Main Grid; other points subject to procurement of transmission from source to sink	Next hour to balance of day
	Physical	Next day purchases and sales	BPA Main Grid; other points subject to procurement of transmission from source to sink	Preschedule period
	Physical Financial	Forward purchases and sales Fixed for Floating swaps	BPA Main Grid; other points subject to procurement of transmission from source to sink Mid C	Up to 36 months into future provided the term of any transaction does not exceed 12 months
	Physical	Energy exchanges	BPA Main Grid; other points subject to procurement of transmission from source to sink	Up to 36 months into future provided the term of any transaction does not exceed 12 months
	Physical	Purchase or sale of capacity or load factoring products (energy deliveries net to 0 MWh over a pre-established time period)	BPA Main Grid; other points subject to procurement of transmission from source to sink	Up to 36 months into future provided the term of any transaction

Commodity	Physical or Financial *	Approved Products	Delivery Location	Duration
				does not exceed 12 months
	Physical	Purchase of quarterly, monthly and daily call and put options	BPA Main Grid	Up to 36 months into future provided the term of any transaction does not exceed 12 months
	Financial	Purchase of daily call and put options	MidC	
	Financial	Purchase of quarterly and monthly call and put options	MidC	
	Financial	Purchase of quarterly and monthly call and put swaptions	MidC	
	Financial	Purchase of dual-trigger call options	MidC (Power) Pasco, Walla Walla, Spokane, or Yakima (Temperature)	
	Physical or Financial	Sale of tolling products indexed to performance of Frederickson	BPA Main Grid; other points subject to procurement of transmission from source to sink	Up to 36 months into future provided the term of any transaction does not exceed 12 months
Transmission Services Only	Physical	Short-term transmission capacity	Reserve PTP transmission service as needed to market District Resources.	Up to 36 months into future provided the term of any transaction
Natural Gas	Physical	Same day purchases and sales	Points on Northwest and Westcoast	Balance of day

Commodity	Physical or Financial *	Approved Products	Delivery Location	Duration
			Pipelines from which District has procured transportation capacity from receipt to delivery	
	Physical	Next day purchases and sales	Points on Northwest and Westcoast Pipelines from which District has procured transportation capacity from receipt to delivery	Preschedule period
	Physical	Forward purchases and sales	Points on Northwest and Westcoast Pipelines from which District has procured transportation capacity from receipt to delivery	Up to 36 months into future provided the term of any transaction does not exceed 12 months
	Financial	Fixed for Floating swaps	Sumas/Huntingdon and Henry Hub	All Henry Hub swaps are to be converted
	Financial	Swing swaps	Sumas/Huntingdon	to Sumas basis no later than 6-months before delivery
	Financial	Basis swaps	Sumas/Huntingdon and Henry Hub	

Commodity	Physical or Financial *	Approved Products	Delivery Location	Duration
	Physical	Purchase of Pipeline Transportation Capacity Assignment of Pipeline Transportation Capacity	Northwest and Westcoast Pipelines	Up to 36 months into future provided the term of any transaction does not exceed 12 months
	Financial	Foreign currency swaps relating to managing the exchange rate risk associated with natural gas commodity or transportation transactions denominated in Canadian dollars.	U.S. \$ / Canadian \$ exchange rate risk only.	Up to 36 months into future provided the term of any transaction does not exceed 12 months
	Physical	Purchase of quarterly, monthly and daily call and put options	Sumas/Huntingdon, Frederickson	Up to 36 months into future provided the term of any transaction does not exceed 12 months
	Financial	Purchase of daily call and put options	Sumas/Huntingdon	
	Financial	Purchase of quarterly and monthly call and put options	Sumas/Huntingdon	
	Financial	Purchase of quarterly and monthly call and put swaptions	Sumas/Huntingdon	
	Financial	Purchase of dual-trigger call options	Sumas/Huntingdon (Gas) Pasco, Walla Walla, Spokane, or Yakima (Temperature)	
Environmental	Financial	Sale of environmental	Not applicable	Any historical

Commodity	Physical or Financial *	Approved Products	Delivery Location	Duration
Attributes		<p>attributes (“green tags”) that accrue to the District as a result of a renewable resource purchase and that are surplus to the District’s statutory and/or regulatory requirements.</p> <p>Purchase of environmental attributes (“green tags”) to meet the District’s statutory and/or regulatory requirements.</p>		<p>and up to 36 months into future provided the term of any transaction does not exceed 12 months; trades beyond 36 months in duration must be approved by the Commission</p>
	Physical	Washington Carbon allowances for compliance with Washington Climate Commitment Act	Washington Compliant	<p>Any historical and up to 36 months into future provided the term of any transaction does not exceed 12 months; trades beyond 36 months in duration must be approved by the Commission</p>

Appendix B

Swap Transaction Representative Selection and Monitoring

Effective Date: January 1, 2013

Type: Mandatory Policy

Applicable Departments: District wide

Purpose:

To ensure that BPUD, a Special Entity under the Dodd-Frank Financial Reform Act, selects a Qualified Independent Representative (“Representative”) to provide advice and guidance when entering into swap transactions with Swap Dealers or Major Swap Participants.

Definitions:

Swap Dealer – A swap market participant that acts as a dealer in commodity swaps. The term “Swap Dealer” is further defined in 7 U.S.C. 1a(49) and further interpreted in 17 C.F.R. 1.3(ggg).

Special Entity – A swap transaction counterparty that includes a state agency, city, county, municipality or other political subdivision of a state, or any instrumentality, department, or a corporation of or established by a State or political subdivision of a State. The term “Special Entity” is further defined in 7 U.S.C. 6s(h)(2)(C) and further interpreted in 17 C.F.R. 23.401(C).

Major Swap Participant – A swap market participant that maintains substantial positions in swaps such that the level of swap activity creates substantial counterparty exposure. The term “Major Swap Participant” is further defined in 7 U.S.C. 1a(33) and further interpreted in 17 C.F.R. 1.3(hhh).

Trade Option Exemption – An exemption from most Dodd-Frank swap regulations granted to certain physical commodity options. Recordkeeping and reporting requirement still apply. The requirements for the trade option exemption can be found in 17 C.F.R. 32.3.

End-User Exception – An exception from clearing granted to certain swap transaction used for hedging or mitigating commercial risk. The end-user exception is only available to non-financial entities. The requirements for the exception are outlined in 7 U.S.C. 2(h)(7)(A) and further interpreted in 17 C.F.R. 50.50.

Swap – In general terms, a swap includes most financially settled transactions not including futures or options on futures. The term “Swap” is further defined in 7 U.S.C. 1a(47) and further interpreted in 17 C.F.R. 1.3(xxx).

Qualified Independent Representative – a representative required of Special Entities before transacting swaps with Swap Dealers or Major Swap Participants. Among other tasks, the representative is required to evaluate fair pricing for the swap transaction, make timely disclosures to the Special Entity and act in the best interest of the Special Entity. An exhaustive list of the requirements for the representative can be found in 17 C.F.R. 23.450(b).

Policy:

Selection: BPUD shall endeavor to seek and employ an individual or entity that will voluntarily act as a Representative for all energy commodity swap transactions between BPUD and any Swap Dealer or Major Swap Participant. The Representative must meet the following qualifications identified in 17 C.F.R. 23.450(b):

- (i) Has sufficient knowledge to evaluate the transaction and risks;
- (ii) Is not subject to a statutory disqualification;
- (iii) Is independent of the swap dealer or major swap participant;
- (iv) Undertakes a duty to act in the best interests of the Special Entity it represents;
- (v) Makes appropriate and timely disclosures to the Special Entity;
- (vi) Evaluates, consistent with any guidelines provided by the Special Entity, fair pricing and the appropriateness of the swap; and
- (vii) In the case of a Special Entity as defined in § 23.401(c)(2) or (4), is subject to restrictions on certain political contributions imposed by the Commission, the Securities and Exchange Commission, or a self-regulatory organization subject to the jurisdiction of the Commission or the Securities and Exchange Commission; provided however, that this paragraph (b)(1)(vii) of this section shall not apply if the representative is an employee of the Special Entity.

The Representative and BPUD shall enter into a legal agreement that binds the Representative to comply with items (i) through (vii) in this policy.

BPUD shall annually review the performance of the Representative to ensure compliance with items (i) through (vii) in this policy.



COMMISSION AGENDA ACTION FORM

Meeting Date:	March 24, 2026	
Subject:	BPA Provider of Choice – Above Contract High Water Mark Load Election	
Authored by:	Blake Scherer	Staff Preparing Item
Presenter:	Blake Scherer	Staff Presenting Item (if applicable or N/A)
Approved by:	Jon Meyer	Dept. Director/Manager
Approved for Commission:		General Manager/Asst GM
Type of Agenda Item:	Type of Action Needed: <i>(Multiple boxes can be checked, if necessary)</i>	
<input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Business Agenda <input type="checkbox"/> Public Hearing <input type="checkbox"/> Other Business	<input type="checkbox"/> Pass Motion <input type="checkbox"/> Pass Resolution <input type="checkbox"/> Contract/Change Order <input type="checkbox"/> Sign Letter / Document <input type="checkbox"/> Decision / Direction <input checked="" type="checkbox"/> Info Only <input type="checkbox"/> Info Only/Possible Action <input type="checkbox"/> Presentation Included	

Motion for Commission Consideration:

None.

Background/Summary

On October 14, 2025, the Commission adopted Resolution No. 2709, authorizing the General Manager to execute the Provider of Choice, Load Following Power Sales Agreement (Contract #25-51-02) with Bonneville Power Administration (BPA) for a term of service from October 1, 2028, through September 30, 2044. Furthermore, Resolution No. 2709 authorized the General Manager and/or his designees to take any and all actions necessary or appropriate to implement the Agreement.

On February 11, 2026, as a follow up to BPA’s Provider of Choice Contract High Water Mark (CHWM) workshop held on January 26, 2026, BPA provided the attached letter to assist customers in making their upcoming Above-CHWM Load service election. The District can submit its Above-CHWM load service election to BPA at any time prior to the election deadline, which is 60 days after final CHWMs are published. Based on the current schedule, assuming no dispute resolution, the District must submit its Above-CHWM load service election no later than July 14, 2026.

Recommendation

Staff leaning is to select Option A, where all Above-CHWM Load will be served with Firm Requirements Power sold at the Tier 2 Long-Term Rate.

Fiscal Impact

N/A



Department of Energy

Bonneville Power Administration
P.O. Box 789
Mead, WA 99021



POWER SERVICES

February 11, 2026

In reply refer to: PSE-Mead

Mr. Chris Johnson, Director of Power Management
Public Utility District No. 1 of Benton County
PO Box 6270
Kennewick, WA 99336-0270

Dear Chris,

As a follow-up to the Bonneville Power Administration's (BPA) Provider of Choice Contract High Water Mark (CHWM) workshop held on January 26, 2026, BPA is providing the following information to assist customers in making their upcoming Above-CHWM Load service election.

When can customers make their Provider of Choice Above-CHWM Load election?

Pursuant to section 9.2 of the body of the Agreement and section 2.1 of Exhibit C of Public Utility District No. 1 of Benton County's (Benton PUD) Provider of Choice Agreement No. 26PS-25004 (Agreement), Benton PUD can notify BPA of its Above-CHWM Load election now through the election deadline, which is 60 calendar days after final CHWMs are published.

Based on the proposed Fiscal Year 2026 CHWM Calculation Process timeline, the deadline for Above-CHWM Load service elections is projected to be July 14, 2026. However, this deadline is contingent on whether or not the CHWM Implementation Policy dispute resolution process is invoked. If dispute resolution is invoked, the deadline for Benton PUD to make its Above-CHWM Load election will be later than July 14. BPA will issue a letter to customers upon publication of the final CHWMs to establish the official deadline for customer elections.

Above-CHWM Load Service Election Option Process

To make its election for Above-CHWM Load service, BPA's preference is that Benton PUD send its election on your utility's letterhead to your Power Account Executive and include the following:

- Benton PUD's One-Time Above-CHWM Load election of Option A, B, C, or D.
- If electing Option B, Benton PUD must also notify BPA of the fixed Average Megawatt amount of Above-CHWM Load that will be served with Firm Requirements Power sold at the Tier 2 Long-Term Rate. The fixed amount is a single value stated in Average Megawatts. The fixed amount is the same for all years and will apply for the duration of the Agreement unless reduced pursuant to Exhibit C.
- If electing Option C, Benton PUD must notify BPA of the fixed Average Megawatt

amount of Above-CHWM Load that will be served with the flexible option. The fixed amount is a single value stated in Average Megawatts. The fixed amount is the same for all years and will apply for the duration of the Agreement unless reduced pursuant to Exhibit C.

Provided below is a table Benton PUD may use as a template when sending in your Above-CHWM Load service election.

Customer Name:	Benton PUD	
Above-CHWM Options	Tier 2 Service Election <i>(Add an "X" in one of the four options in this column)</i>	Fixed Average Megawatt (aMW) Election Amount <i>(Indicate fixed amount if Option B or C were elected for the Tier 2 Service Election)</i>
Option A		N/A
Option B		
Option C		
Option D		N/A

After BPA receives your Above-CHWM Load service election, we will update section 2.1 of Exhibit C to reflect Benton PUD's election. Please note, as stated in section 9.2 of the Agreement, if Benton PUD fails to make an election for Fiscal Years 2029-2044 by the established deadline, then Benton PUD will be deemed to have elected Option D under section 2.1 of Exhibit C. Consequently, Benton PUD will be obligated to serve all of its Above-CHWM Load amounts with the resources made available under section 2.1(4), Option D of Exhibit C.

As always, I am available as a resource to provide further information throughout Benton PUD's election process. I encourage you to review the relevant sections of the Provider of Choice Agreement and utilize the materials accessible on BPA's Power Services' website: <https://www.bpa.gov/energy-and-services/power/provider-of-choice/implementation>. Please do not hesitate to contact me at (509) 822-4580 if you have any questions or require assistance.

Sincerely,

William Rimmer
Account Executive

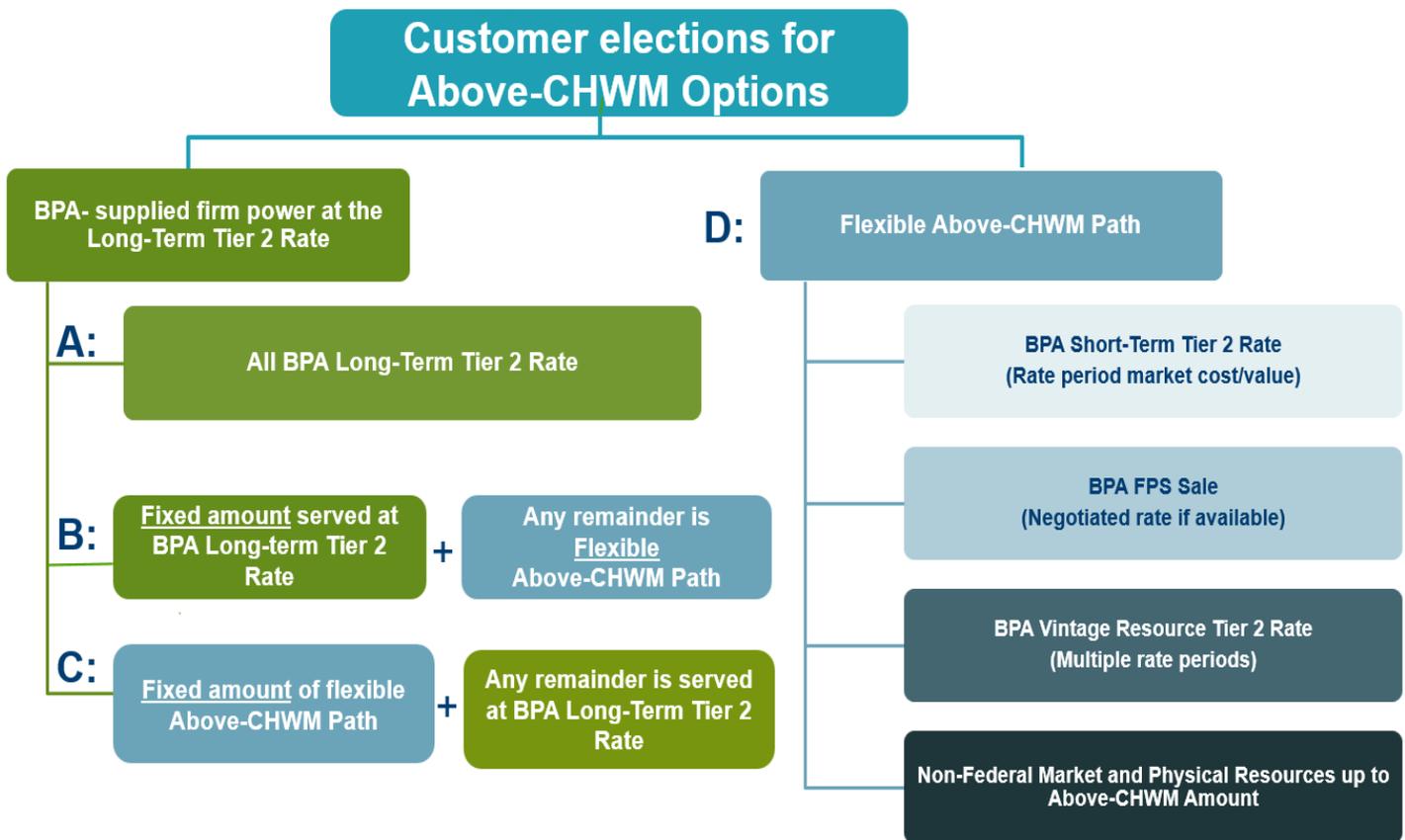
cc:
Blake Scherer, Sr. Engineer – Power Management

Provider of Choice Above-CHWM Load Service Elections Overview

Disclaimer: This document is for informational purposes only and does not replace the Provider of Choice contract.

Background

[The Provider of Choice Contract \(Agreement\) Exhibit C](#), section 2 outlines customers' Above-CHWM Load service elections. Pursuant to section 9.2 of the Agreement, customers make their Above-CHWM Load service elections once in 2026. Such election applies for the entire term of the Agreement with limited off-ramps. Below is a visual and written summary of the four options a customer may choose from.



Option A: All Tier 2 Long-Term Rate option.

- Customer's Obligation: Purchase Firm Requirements Power priced at the Tier 2 Long-Term Rate to serve all of its Above-CHWM Load.

Option B: Fixed Tier 2 Long-Term Rate option then flexible option.

- Customer's Obligation: Purchase up to a fixed Average Megawatt amount of Firm Requirements Power sold at the Tier 2 Long-Term Rate to serve its Above-CHWM Load. Any remaining Above-CHWM Load will be served with Firm Requirements Power sold at the Tier 2 Short-Term Rate, Firm Requirements Power sold at a Tier 2 Vintage Rate if applicable, Dedicated Resources, or a combination of all three (flexible option).

- At the time of the initial election, the customer must also notify BPA of the fixed Average Megawatt amount of Firm Requirements Power sold at the Tier 2 Long-Term Rate. The fixed amount is a single value stated in Average Megawatts. The fixed amount is the same for all years and will apply for the duration of the Agreement unless reduced pursuant to Exhibit C.

Option C: Fixed flexible option then Tier 2 Long-Term Rate option.

- Customer's Obligation: Elect up to a fixed Average Megawatt amount of Above-CHWM Load to be served with Firm Requirements Power sold at Tier 2 Short-Term Rate, Firm Requirements Power sold at a Tier 2 Vintage Rate if applicable, Dedicated Resources, or a combination of all three (flexible option). Any remaining Above-CHWM Load will be served with Firm Requirements Power sold at the Tier 2 Long-Term Rate.
- At the time of the initial election, the customer must notify BPA of the fixed Average Megawatt amount for the flexible option at the time of election. The fixed amount is a single value stated in Average Megawatts. The fixed amount is the same for all years and will apply for the duration of the Agreement unless reduced pursuant to Exhibit C.

Option D: All flexible option.

- Customer's Obligation: All of customer's Above-CHWM Load will be served with Firm Requirements Power sold at Tier 2 Short-Term Rate, Firm Requirements Power sold at a Tier 2 Vintage Rate if applicable, Dedicated Resources, or a combination of all three (flexible option).
- Default Option: This option is automatically assigned if no other election is made by the customer.

One-time Above-CHWM Load Service Election Deadlines

By Summer 2026: One-time Above-CHWM Load Service election for Provider of Choice

A customer is required to make a one-time election from the four options (A, B, C or D) listed in section 2 of Exhibit C of the contract to serve its Above-CHWM Load. The election deadline is 60-days after final CHWMs are published to BPA's website. A customer's election is made for the duration of the Agreement unless reduced pursuant to Exhibit C.

Customers should include the following table when making their election to BPA.

Customer Name:	«Customer Name»	
Above-CHWM Options	Tier 2 Service Election <i>(Add an "X" in one of the four options in this column)</i>	Fixed Average Megawatt (aMW) Election Amount <i>(Indicate fixed amount if Option B or C is elected for the Tier 2 Service Election)</i>
Option A		N/A
Option B		
Option C		
Option D		N/A

By March 31, 2027: Update Exhibit C of the Agreement

BPA will revise Exhibit C in each customer's contract to document the customer's election and the fixed Average Megawatt amount if applicable.

By July 31, 2027: Election of Rounding Option

If a customer elected Option B, C, or D, the customer must notify BPA if it elects to have BPA serve up to 0.999 Average Megawatts of its Above-CHWM Load through the Tier 1 Rate design, pursuant to the 2029 Public Rate Design Methodology. The election will remain in effect for the term of the Agreement unless a customer notifies BPA with its election to alter it (as noted under ongoing election deadlines below). Additional details on the rounding option can be found in Exhibit C, section 2.2 of the Agreement.

By August 1, 2027: One-time right to reduce Tier 2 Long-Term Rate election amount

A customer that has elected Option A, B, or C has a one-time right to request a reduction to its Tier 2 Long-Term Rate election without fees, provided BPA has not acquired power for this purpose. Pursuant to Exhibit C, section 2.3.2 of the Agreement, a customer may submit this request in writing by August 1, 2027 to their Power Account Executive. In such request, a customer must notify BPA of the reduced amount of fixed Average Megawatt amount for the Tier 2 Long-Term Rate. The amount of power served under this fixed amount can be reduced to zero. For more information on the exit fee, see the [rates section below](#).

Ongoing Above-CHWM Load Service Election Deadlines

By July 31, 2027, and by July 31 of each Forecast Year:

For customers that elected Option B, C, or D:

- A customer shall notify BPA of the amount of its Above-CHWM Load it would like to serve with Firm Requirements Power at the Tier 2 Short-Term Rate for each year of the following Rate Period.
 - By March 31, 2028, and by March 31 of each Rate Case Year, in accordance with sections 2.4.1 and 2.4.2 of Exhibit C, BPA shall notify customers if there is an amount of power sold at the Tier 2 Short-Term Rate that is not available to customers for the upcoming rate period.
 - BPA will update the table to state the amount of power a customer is obligated to purchase at the Tier 2 Short-Term Rate.
- A customer may notify BPA of any Dedicated Resource amounts it elects to serve its Above-CHWM Load for each year. Note, Dedicated Resource obligations must comply with requirements in the Agreement and the 5(b)9(c) Policy.
 - A customer may notify BPA if it would like to purchase Support Services (including RSS) for any Dedicated Resources.
- Changes to these elections cannot exceed the difference between a customer's Above-CHWM

Load, calculated for each Fiscal Year of the Rate Period, and the fixed Average Megawatt amount elected either at the Tier 2 Long-Term option (Option B) or flexible option (Option C and D).

- A customer may notify BPA if it wants to change its rounding option election, and BPA shall update the table by March 31 following customer's notification. The election will remain in effect for the remainder of the contract unless a customer updates during a future process cycle.

By March 31, 2028 and by March 31 of Each Rate Case Year: Update Exhibit C Tables

BPA will update the table in section 2.9 of Exhibit C, consistent with customer's elections for the upcoming Rate Period, with planned annual average amounts of Firm Requirements Power at Tier 2 Long-Term, Tier 2 Short-Term, and Tier 2 Vintage Rates as applicable, and any remarketed Tier 2 Rate purchase amounts.

Additionally, BPA will update tables in Exhibit A to list Dedicated Resource obligations to reflect the customer's flexible option elections.

Other Above-CHWM Load Service Election Options

Ongoing election right: Reduce Tier 2 Long-Term Purchase Obligation

If a customer has elected Option A, B, or C, it has the right to cap or reduce its Tier 2 Long-Term purchase obligation after the August 1, 2027 deadline but with a fee. The reduction would be in place through the remainder of the Agreement. The request to reduce the obligation must be made no less than three years prior to the start of the Rate Period that the change would be effective. Additional details can be found in section 2.3.3 of Exhibit C.

A customer is obligated to pay any charges resulting from exercising this one-time right to change its Tier 2 Long-Term Rate election amount. By March 31 following the updated election, BPA will update the relevant tables in Exhibit C with the customer's revised Tier 2 Long-Term Rate election amount.

If offered: Tier 2 Vintage Rate

BPA may offer to sell Firm Requirements Power at a Tier 2 Vintage Rate as defined by section 2.5 of Exhibit C. If BPA offers a power at a Tier 2 Vintage Rate, the following deadlines apply:

- BPA will notify customers at least 60 days prior to making a notice regarding a request for offer (RFO) for a Vintage Resource.
- Within 30 days of BPA's notice, a customer shall notify BPA of the amount of Firm Requirements Power it will purchase from BPA at a Tier 2 Vintage Rate associated with the Vintage Resource.
- After the close of the RFO, if BPA decides to acquire the Vintage Resource, BPA will execute Statement of Intent with customers that would like to purchase Firm Requirements Power at a

Tier 2 Vintage Rate.

- Within 90 calendar days of signing the Statement of Intent, BPA shall update the table in section 2.5.8 of Exhibit C, with customer's Tier 2 Vintage Rate purchase obligation amounts.

Tier 2 Environmental Attributes

If a customer purchases power from BPA at a Tier 2 Rate, the environmental attributes of each applicable attribute pool would be determined during the Environmental Attribute Accounting Process slated to take place after each Rate Case, as established in Exhibit H of the Agreement.

2029 Public Rate Design Methodology (PRDM) Tier 2 Rate Design Overview

Chapter 5 of the [PRDM](#) outlines how the Tier 2 Rate Design ensures that Tier 2 Rates recover the full allocated cost of service to planned Above-CHWM Load. Below is a summary of the main provisions.

General Tier 2 Provisions

BPA will establish one Tier 2 Long-Term Rate and one Tier 2 Short-Term Rate for each year. Each customer electing a particular Tier 2 Rate (Tier 2 Long-Term, Tier 2 Short-Term, etc.) will pay the rate associated with that service.

- BPA will establish Tier 2 Rates based on the cost of providing a flat annual block of power.
- Each customer electing a particular Tier 2 Rate Alternative will pay the rate associated with the Tier 2 Rate Alternative service.
- Each Tier 2 Rate will be established to recover all the Tier 2 Costs allocated to that Tier 2 Rate Alternative plus any adders to account for real power losses, overhead costs, other costs, and other services being provided from BPA to support power sold at each Tier 2 Rate.
- Forecast Firm Inventory used for Tier 2 Rates is priced at marginal value and, except for inventory serving the Tier 2 Long-Term Rate, will be priced at a rate equivalent to BPA's Tier 1 Non-Slice Rates. BPA will use Forecast Firm Inventory to serve the Tier 2 Long-Term Rate when inventory exists.

Tier 2 Cost Component Construct

Tier 2 Cost Pools will include BPA's costs for serving customers who elect service at the corresponding Tier 2 Rate Alternative. Tier 2 Rate Alternative costs will include:

- Market block energy purchases, costs include those incurred to serve load at a set or variable price, with a combination of forward and spot purchases.
- Non-dispatchable resources, costs include the resource purchase, transaction costs, Support Services, adders for losses, risk, and overhead.
- Dispatchable resources, costs include projected annual fixed costs, expected fuel and variable O&M costs, operating reserves, replacement power, and mechanisms to compensate for economic dispatch savings.
- Tier 2 Rates can be fixed or subject to true-ups, surcharges, and other adjustments to recover BPA's costs.

- Each Tier 2 Cost Pool includes an Overhead Cost Adder to offset general and administrative costs associated with BPA's provision of power at Tier 2 Rates.

Tier 2 and Remarketing

If BPA remarkets a customer's Tier 2 purchase obligation, then BPA will credit the proceeds (net of remarketing costs) to the customer. BPA will calculate applicable rates for remarketed energy proceeds in each 7(i) Process and the customer will remain responsible for charges and adjustments had remarketing not occurred and for paying the entire purchase at the appropriate Tier 2 Rate.

Tier 2 Long-Term Change Fee and Charge

A Tier 2 Long-Term Change Fee and a Tier 2 Long-Term Change Charge will apply if a customer elects to change (cap or reduce) its Tier 2 Long-Term Alternative election after 1) BPA acquires power for the purposes of serving Tier 2 Long-Term Path obligations, or 2) after July 31, 2027, whichever occurs first.

The Tier 2 Long-Term Change Fee will be established in each 7(i) Process and will be no lower than 0.05 mills/kWh and no higher than 0.10 mills/kWh applied to the customer's Tier 1 Load amount for the Rate Period immediately following the election.

The Tier 2 Long-Term Change Charge will be based on costs BPA determines would otherwise be spread to other Tier 2 Long-Term Path customers, calculated independent to and without consideration of the Tier 2 Long-Term change Fee, as a result of the change in election.

Tier 2 Long-Term Cost Reallocation Provision

If the Tier 2 Long-Term Cost Pool contains costs and BPA has no load being served at the Tier 2 Long-Term Rate, BPA will reallocate such costs to all customers that elected any portion of their potential Above-CHWM Load to be served under the Tier 2 Long-Term Alternative. This reallocation will be spread across all such customers' Rate Period forecast Tier 1 Energy Charge Billing Determinants.

Similarly, if a subset of customers that elected BPA's Tier 2 Long-Term Alternative are determined to be bearing an inequitable amount of the costs allocated to the Tier 2 Long-Term Cost Pool, BPA will determine, through the 7(i) Process, the portion of the Tier 2 Long-Term Cost Pool to be reallocated to all customers that elected any portion of their potential Above-CHWM Load be served under the Tier 2 Long-Term Alternative. This reallocation will be spread across all such customers' Rate Period forecast Tier 1 Energy Charge Billing Determinants.

Tier 2 Vintage Alternative

BPA will establish a Tier 2 Vintage Rate if and when it acquires a Vintage Resource(s) based on the costs of the Vintage Resource(s) and associated services. If BPA provides a Tier 2 Vintage Rate Alternative then BPA may establish multiple Tier 2 Vintage Rates, each based on the specific resource costs of its distinct Tier 2 Vintage Alternative.



COMMISSION AGENDA ACTION FORM

Meeting Date:	March 24, 2026	
Subject:	Review Final 2025 Annual Financial Report	
Authored by:	Kent Zirker	Staff Preparing Item
Presenter:	Jon Meyer / Kent Zirker	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: <i>(Multiple boxes can be checked, if necessary)</i>	
<input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Business Agenda <input type="checkbox"/> Public Hearing <input type="checkbox"/> Other Business	<input type="checkbox"/> Pass Motion <input type="checkbox"/> Pass Resolution <input type="checkbox"/> Contract/Change Order <input type="checkbox"/> Sign Letter / Document <input type="checkbox"/> Decision / Direction <input checked="" type="checkbox"/> Info Only <input type="checkbox"/> Info Only/Possible Action <input type="checkbox"/> Presentation Included	

Motion for Commission Consideration:

None.

Background/Summary

As a best practice, District staff historically provided the final draft of the District’s year-end annual financial report (financial statements, note disclosures, Management Discussion and Analysis (MD&A), and statistical section) to the Commission (audit committee) prior to completion of the annual audit by Baker Tilly US, LLP and publication of the Annual Comprehensive Financial Report (Annual Report). Previous year audit opinions were issued at the end of March or early April. The audit for the 2025 annual financial report was completed ahead of schedule, and an unmodified (clean) opinion was issued from Baker Tilly on March 16, 2026, earlier than expected. As such, the attached 2025 annual financial report contains final audited numbers and information.

The management of the District is responsible for preparing financial statements in accordance with generally accepted accounting principles (GAAP) applied on a consistent basis. The note disclosures are an integral part of the financial statements and are intended to ensure that a complete picture is presented to the reader of the financial statements. Required note disclosures are prescribed by GAAP. The note disclosures are included in the scope of the annual audit.

The MD&A is also a required part of the annual report; however, it is referred to as “required supplementary information” and is unaudited; although, reviewed for consistency with the financial statements during the audit. The MD&A provides a high-level narrative explanation of the District’s financial statements from the perspective of top management. It enhances the overall financial disclosures and provides information about the quality of and potential variability of the District’s financial condition, earnings and cash flow, so that readers can ascertain the likelihood that past performance is indicative of future performance.

The statistical section is also unaudited. This section of the annual report is intended to provide information regarding the District's economic condition, and provides information on financial trends, revenue capacity, debt capacity, and demographic, economic, and operating information.

With the completion of the audit, an exit conference is scheduled for April 14, 2026, to be held with the Commission to allow Baker Tilly US, LLP to present the results of the audit. We will then prepare to publish the 2025 Annual Report and submit it to the Government Finance Officers Association (GFOA) *Certificate of Achievement for Excellence in Financial Reporting Program*.

Recommendation

None

Fiscal Impact

A \$460 application fee to participate in the GFOA award program is included in the 2026 Accounting Department budget.



FINANCIAL STATEMENTS

For the year ended December 31, 2025

(Audited)

Table of Contents

	<u>Page</u>
Audit Opinion	2 - 4
Management's Discussion and Analysis	5 - 10
Financial Statements:	
Statement of Net Position	11
Statement of Revenues, Expenses and Changes in Net Position	12
Statement of Cash Flows	13
Notes to Financial Statements	14 - 47
Required Supplementary Information	48 - 55
Statistical Section	56 - 73

Report of Independent Auditors

The Commissioners
Public Utility District No. 1 of Benton County, Washington

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of Public Utility District No. 1 of Benton County, Washington (the District), which comprise the statements of net position as of December 31, 2025 and 2024, and the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District as of December 31, 2025 and 2024, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of proportionate share of net pension liability (asset) and schedules of employer contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2026, on our consideration of Public Utility District No. 1 of Benton County, Washington's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Public Utility District No. 1 of Benton County, Washington's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Public Utility District No. 1 of Benton County, Washington's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Portland, Oregon
March 16, 2026

Management's Discussion and Analysis

This section provides an overview and analysis of key data presented in the basic financial statements for the years ended December 31, 2025 and 2024, with additional comparative data for 2023. Information within this section should be used in conjunction with the basic financial statements and accompanying notes.

Overview of the Financial Statements

Public Utility District No. 1 of Benton County (District) accounts for its financial activities within a single proprietary fund titled the Electric System. The Electric System is used to account for the purchase, generation, transmission, distribution, and sale of electric energy, as well as the sale of wholesale telecommunication services.

In accordance with requirements set forth by the Governmental Accounting Standards Board (GASB), the District's financial statements employ the accrual basis of accounting in recognizing increases and decreases in economic resources. Accrual accounting recognizes all revenues and expenses incurred during the year, regardless of when cash is received or paid.

The basic financial statements, presented on a comparative format for the years ended December 31, 2025, and 2024, consist of:

Statement of Net Position: The District presents its Statement of Net Position using the balance sheet format. The Statement of Net Position reflects the assets, liabilities, deferred outflows and inflows of resources, and net position (equity) of the District at year-end. The net position section is separated into three categories: net investment in capital assets, net position - restricted, and net position - unrestricted.

Statement of Revenues, Expenses, and Changes in Net Position: This statement reflects the transactions and events that have increased or decreased the District's total economic resources during the period. Revenues are presented net of allowances and are summarized by major source. Revenues and expenses are classified as operating or nonoperating based on the nature of the transaction.

Statement of Cash Flows: The Statement of Cash Flows reflects the sources and uses of cash separated into four categories of activities: operating, noncapital financing, capital and related financing, and investing.

The notes to the financial statements, presented at the end of the basic financial statements, are considered an integral part of the District's presentation of financial position, results of operations, and changes in cash flows.

Condensed Comparative Financial Information

Provided below is a 3-year comparison of key financial information:

Statement of Net Position (*in thousands*)

	2025	2024	Increase (Decrease) 2025-2024	% Change 2025-2024	2023
Assets and Deferred Outflows of Resources					
Current & Noncurrent Assets	\$89,125	\$95,716	(\$6,591)	-6.9%	\$104,773
Utility Plant	214,063	195,802	18,261	9.3%	175,139
Subtotal Assets	303,188	291,518	11,670	4.0%	279,912
Deferred Outflows of Resources	5,718	5,388	330	6.1%	4,027
Total Assets and Deferred Outflows of Resources	308,906	296,906	12,000	4.0%	283,939
Liabilities and Deferred Inflows of Resources					
Current Liabilities	22,727	22,037	690	3.1%	19,924
Noncurrent Liabilities	83,352	86,858	(3,506)	-4.0%	87,737
Subtotal Liabilities	106,079	108,895	(2,816)	-2.6%	107,661
Deferred Inflows of Resources	1,357	1,502	(145)	-9.7%	2,699
Total Liabilities and Deferred Inflows of Resources	107,436	110,397	(2,961)	-2.7%	110,360
Net Position					
Net Investment in Capital Assets	133,923	115,510	18,413	15.9%	108,390
Restricted for Net Pension	4,396	3,704	692	18.7%	4,841
Unrestricted	63,151	67,295	(4,144)	-6.2%	60,348
Total Net Position	\$201,470	\$186,509	\$14,961	8.0%	\$173,579

Statement of Revenues, Expenses, and Changes in Net Position (*in thousands*)

	2025	2024	Increase (Decrease) 2025-2024	% Change 2025-2024	2023
Operating Revenues					
Retail Energy Sales	\$142,121	\$138,253	\$3,868	2.8%	\$139,618
Secondary Market Sales	4,105	8,587	(4,482)	-52.2%	11,320
Other Revenue	4,950	5,070	(120)	-2.4%	4,704
Nonoperating Revenues					
Interest Income	2,372	3,173	(801)	-25.2%	2,232
Other Income	287	2,623	(2,336)	-89.1%	336
Total Revenues	153,835	157,706	(3,871)	-2.5%	158,210
Operating Expenses					
Power Supply	82,767	87,470	(4,703)	-5.4%	97,325
Operations, Maintenance, and A&G	29,486	27,853	1,633	5.9%	25,726
Taxes and Depreciation	27,230	26,336	894	3.4%	26,389
Nonoperating Expenses					
Interest Expense	3,537	3,716	(179)	-4.8%	2,750
Other Expense	(425)	1,592	(2,017)	-126.7%	(134)
Total Expenses	142,595	146,967	(4,372)	-3.0%	152,056
Income before Contributions	11,240	10,739	501	4.7%	6,154
Capital Contributions	3,721	2,191	1,530	69.8%	3,178
Change in Net Position	14,961	12,930	2,031	15.7%	9,332
Beginning Net Position	\$186,509	\$173,579	\$12,930	7.4%	\$164,247
Ending Net Position	\$201,470	\$186,509	\$14,961	8.0%	\$173,579

Financial Analysis

During 2025, the District's overall financial position and results of operations ended with a positive net position. The District's net position increased by \$15.0 million (8.0%) compared to an increase of \$12.9 million in 2024. Provided below is a year-over-year analysis of the change in net position by major component of income, with a primary focus on changes between 2025 and 2024.

Operating Revenues

2024 to 2025

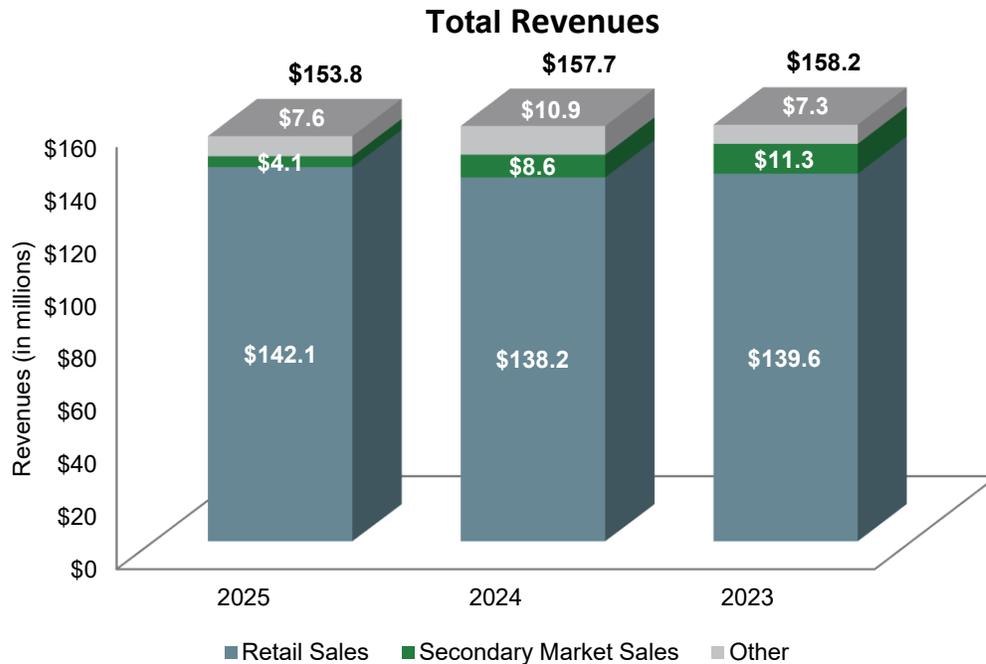
Revenues from sales to retail customers (retail energy sales) in 2025 increased \$3.9 million (2.8%) from 2024. Revenues from the various customer classes varies from year to year based on the weather primarily during the winter months (December, January, and February) and summer months (June, July, August). Overall kWh usage was down 1.7% from 2024; although, active service agreements during the period increased by 1.5% and the District had a retail rate increase of 5% effective April 1, 2025 leading to an increase in retail revenues.

Revenues from secondary market energy sales decreased by \$4.5 million (-52.2%), primarily as a result of lower market prices on average. In addition, the volume of secondary market sales decreased about 40.8% from the prior year.

2023 to 2024

Revenues from sales to retail customers (retail energy sales) in 2024 decreased \$1.4 million (-1.0%) from 2023. Revenues from the various customer classes varies from year to year based on the weather primarily during the winter months (November, December, and January) and summer months (June, July, August). Overall kWh usage was down 1.6% from 2023. Active service agreements during the period increased by 1.0%. The District had no rate increases in 2024 or 2023.

Revenues from secondary market energy and natural gas sales decreased by \$2.7 million (-24.1%), primarily as a result of the District switching its Bonneville Power Administration (BPA) contract structure from a Slice/Block product to Load Following in October 2023. The change eliminated the receipt of excess generation from BPA to sell in the secondary market. The District has wind resources it continues to sell in the secondary market.



Operating Expenses

2024 to 2025:

Power supply expense decreased by \$4.7 million (-5.4%), primarily as a result of not having costs associated with a power capacity contract. After reducing power supply costs with offsetting revenues from reselling the power capacity contract, net power expense (power supply expense less secondary market sales) decreased by \$0.2 million (-0.3%), primarily attributable to the above-mentioned lower power supply costs. The District uses net power expense as a means to measure overall financial performance related to power supply management.

Total operations, maintenance and administrative and general (A&G) expenses increased by \$1.6 million (5.9%). The increase was primarily due to increased costs for maintenance of the distribution system. Additionally, the District charges internal labor to operations, maintenance, A&G activities, and capital projects. In 2025, the internal labor required for operations and maintenance activities increased \$313,000 from 2024 and internal labor performed on capital projects increased \$72,000.

Taxes assessed by state and municipal governments increased by \$440,000 (3.0%), primarily as a result of increased retail sales. Depreciation increased \$453,000 (3.8%) as a result of capital additions.

2023 to 2024:

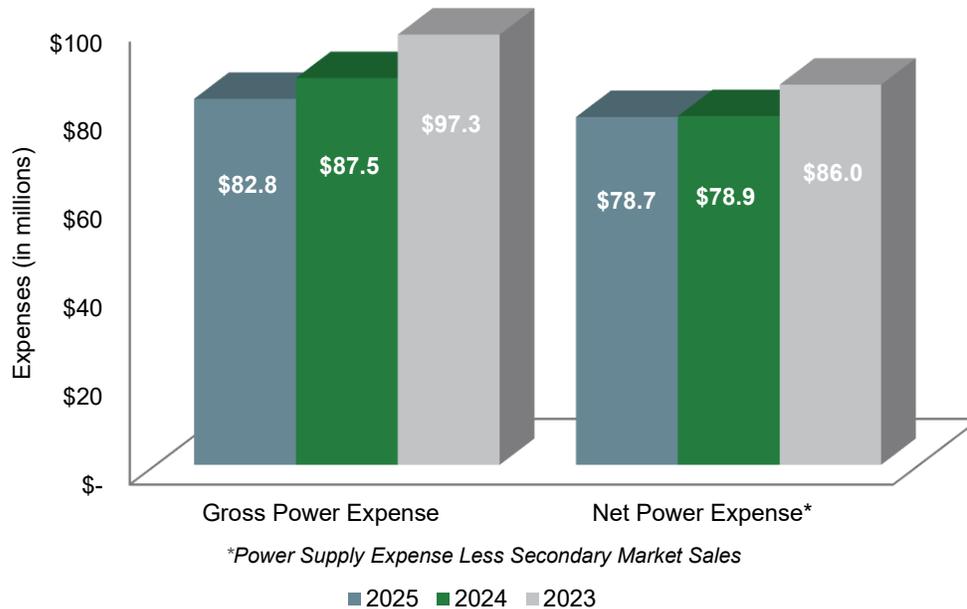
Power supply expense decreased by \$9.9 million (-10.1%), primarily as a result of switching to a load following customer of BPA. The switch greatly reduced or eliminated the District's exposure to market volatility, daily load balancing, and hedging of the District's power supply. In addition, net power expense (power supply expense less secondary market sales) decreased by \$7.1 million (-8.3%), primarily attributable to the above-mentioned power supply costs. The District uses net power expense as a means to measure overall financial performance related to power supply management.

Total operations, maintenance and administrative and general (A&G) expenses increased by \$2.1 million (8.3%). The increase was primarily due to increased labor and benefits costs. The District charges internal labor to operations, maintenance, A&G activities, and capital projects. In 2024, the internal labor required

for operations and maintenance activities increased \$874,000 from 2023 and internal labor performed on capital projects increased \$614,000.

Taxes assessed by state and municipal governments decreased by \$328,000 (-2.2%), primarily as a result of decreased retail sales. Depreciation increased \$275,000 (2.4%) as a result of capital additions.

Gross and Net Power Expenses



Other Income & Expense

During 2025, interest income decreased by \$0.8 million (-25.2%) due to decreased investment balance averaging about \$6.5 million less than 2024 and declining interest rates. During 2024, interest income increased by \$0.9 million (42.2%) due to an increased average cash balance in the Local Government Investment Pool earning interest. In 2025, both other income and other expense decreased by more than \$2.0 million each due to a Washington Department of Commerce program that distributed money through the District to low and moderate income households in 2024.

There were no significant restrictions, commitments, or other limitations that would affect the availability of resources for future use in 2025, 2024, and 2023.

Capital Contributions

During 2025, capital contributions increased by \$1.5 million (69.8%), primarily due to 2025 having 25% more projects with contributions than in 2024. During 2024, capital contributions decreased by \$1.0 million (-31.1%), primarily due to 2023 having several larger projects with contributions than in 2024.

Summary of Financial Position

The overall financial position of the District increased \$15.0 million (8.0%) in part due to increased retail revenues of \$3.9 million, lower power supply costs of \$4.7 million, broadband revenue over related expenses of \$1.9 million, and additional capital contributions of \$1.5 million. The District continues to monitor revenues and expenditures and evaluates its need for rate changes. The District’s Board of Commissioners on December 9, 2025 approved a 2% overall retail rate increase effective April 1, 2026.

The District's previous rate increase was an average retail rate increase of 5.0% effective April 1, 2025. In October 2024, the District added a small general demand charge while lowering the small general kwh rate. Additionally, a demand charge was added to the first 50kW for medium and large general classes. The changes were designed to be revenue neutral to the District by also reducing the respective kwh rate.

District financial policies require that financial plans be developed to maintain minimum end-of-year cash and investment balances contained within unrestricted accounts sufficient to provide funding for a specified amount of operating expenses, power supply expenses, catastrophic loss, debt service, and capital improvements. The District's unrestricted cash and investment balances totaled \$50.4 million, \$55.3 million, and \$48.9 million at December 31, 2025, 2024, and 2023, respectively. Actual balances exceeded the minimum required level per District financial policies for each year.

In accordance with District financial policies and covenants established within the District's bond resolutions, the District is required to maintain and collect rates and charges sufficient to provide net revenues (defined as change in net position less depreciation and interest expense) in each fiscal year in an amount at least equal to 1.25 times the annual debt service. For the years ended 2025, 2024, and 2023, the District was in compliance with such policies and covenants.

Capital Asset and Long-Term Financing Activity

During 2025, gross capital additions totaled \$30.6 million. Capital contributions associated with these additions totaled \$3.7 million. Major capital additions included equipment upgrades at substations, installation of new electric facilities and improvements to existing distribution infrastructure, transformer purchases, multiple vehicles, and a large broadband project. Construction work-in-progress totaled \$10.4 million at year-end, a net decrease of \$10.0 million (-49.0%) from 2024 primarily due to completion of large transmission projects.

During 2024, gross capital additions totaled \$32.7 million. Capital contributions associated with these additions totaled \$2.2 million. Major capital additions included equipment upgrades at multiple substations, installation of new electric facilities and improvements to existing distribution infrastructure, transformer purchases, and a large transmission reliability project. Other capital additions included broadband infrastructure and security upgrades. Construction work-in-progress totaled \$20.3 million at year-end, a net increase of \$9.2 million (83.0%) from 2023 primarily due to the large transmission projects.

In 2025, Standard & Poor's upgraded the District's rating to AA- and Fitch Ratings affirmed their rating of AA-. In 2023, the District last received its Moody's rating at Aa3.

Debt service payments, net of Build America Bonds subsidy, totaled \$6.7 million in 2025, \$6.4 million in 2024, and \$5.7 million in 2023.

Additional information about the District's capital assets and long-term debt is presented in Notes 2 and 5, respectively.

STATEMENT OF NET POSITION

As of December 31, 2025 and 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	2025	2024
ASSETS		
CURRENT ASSETS		
Unrestricted Cash & Cash Equivalents	\$38,481,566	\$40,979,493
Investments (Note 3)	11,940,500	14,295,335
Accounts Receivable, Net	10,917,933	10,485,569
BPA Prepay Receivable (Note 8)	690,000	690,000
Accrued Interest Receivable	94,365	84,286
Wholesale Power Receivable	84,761	234,728
Accrued Unbilled Revenues	4,144,000	4,116,000
Inventory - Materials & Supplies	14,241,443	15,735,405
Prepaid Expenses	715,885	716,051
Total Current Assets	81,310,453	87,336,867
NONCURRENT ASSETS		
BPA Prepay Receivable (Note 8)	1,256,575	1,966,657
Other Receivables (Notes 1 & 10)	914,719	992,717
Net Pension Asset (Note 6)	4,396,197	3,703,865
Other Charges (Note 4)	1,246,906	1,716,272
Subtotal Noncurrent Assets	7,814,397	8,379,511
Utility Plant (Note 2)		
Land and Intangible Plant	4,456,858	4,434,802
Electric Plant in Service	456,084,491	418,186,562
Construction Work in Progress	10,358,982	20,317,992
Less: Accumulated Depreciation	(256,837,876)	(247,138,122)
Net Utility Plant	214,062,455	195,801,234
Total Noncurrent Assets	221,876,852	204,180,745
TOTAL ASSETS	303,187,305	291,517,612
DEFERRED OUTFLOWS OF RESOURCES		
Pension Deferred Outflow (Note 6)	5,718,314	5,388,477
Total Deferred Outflows of Resources	5,718,314	5,388,477
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$308,905,619	\$296,906,089
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
LIABILITIES		
CURRENT LIABILITIES		
Accounts Payable	\$10,845,757	\$10,043,950
Customer Deposits	2,130,365	1,903,352
Accrued Taxes Payable	3,927,437	3,887,650
Other Accrued Liabilities	2,326,321	2,193,442
Accrued Interest Payable	567,091	593,877
Revenue Bonds, Current Portion (Note 5)	2,930,000	3,415,000
Total Current Liabilities	22,726,971	22,037,271
NONCURRENT LIABILITIES		
Revenue Bonds (Note 5)	73,409,820	76,857,731
Net Pension Liability (Note 6)	1,049,012	1,539,417
BPA Prepay Incentive Credit	443,485	604,741
Other Credits & Liabilities (Note 4)	8,449,478	7,856,111
Total Noncurrent Liabilities	83,351,795	86,858,000
TOTAL LIABILITIES	106,078,766	108,895,271
DEFERRED INFLOWS OF RESOURCES		
Unamortized Gain on Defeased Debt	15,526	18,380
Pension Deferred Inflow (Note 6)	1,341,101	1,483,590
Total Deferred Inflows of Resources	1,356,627	1,501,970
NET POSITION		
Net Investment in Capital Assets	133,923,165	115,510,123
Restricted for Net Pension	4,396,197	3,703,865
Unrestricted	63,150,864	67,294,860
Total Net Position	201,470,226	186,508,848
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$308,905,619	\$296,906,089

The accompanying notes are an integral part of the financial statements.

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended December 31, 2025 and 2024

	2025	2024
OPERATING REVENUES		
Retail Energy Sales	\$142,120,703	\$138,252,613
Secondary Market Sales	3,934,285	8,388,791
Transmission of Power for Others	171,487	198,665
Broadband Revenue	3,011,514	2,912,924
Other Revenue	1,937,608	2,157,070
<i>Total Operating Revenues</i>	151,175,597	151,910,063
OPERATING EXPENSES		
Power Supply (Includes Prepaid Power Amortization, See Note 8)	82,766,936	87,470,161
Transmission Operation & Maintenance	66,642	118,671
Distribution Operation & Maintenance	14,276,295	13,297,226
Broadband Expense	1,140,557	1,154,072
Customer Accounting, Collection & Information	4,729,447	4,536,231
Administrative & General Expense	9,273,187	8,746,792
Taxes	14,941,586	14,501,372
Depreciation	12,288,014	11,834,815
<i>Total Operating Expenses</i>	139,482,664	141,659,340
OPERATING INCOME	11,692,933	10,250,723
NONOPERATING REVENUES & EXPENSES		
Interest Income	2,371,977	3,173,366
Other Income	287,108	2,622,822
Other Expense	(95,956)	(2,127,789)
Interest Expense	(3,536,477)	(3,716,297)
Debt Premium Amortization & Gain on Defeased Debt	520,766	536,247
<i>Total Nonoperating Revenues & Expenses</i>	(452,582)	488,349
INCOME BEFORE CAPITAL CONTRIBUTIONS	11,240,351	10,739,072
CAPITAL CONTRIBUTIONS	3,721,027	2,190,936
CHANGE IN NET POSITION	14,961,378	12,930,008
TOTAL NET POSITION, BEGINNING OF YEAR	186,508,848	173,578,840
TOTAL NET POSITION, END OF YEAR	\$201,470,226	\$186,508,848

The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH FLOWS

For the years ended December 31, 2025 and 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers and Counterparties	\$150,754,089	\$152,749,609
Cash Paid to Suppliers and Counterparties	(88,751,710)	(96,205,344)
Cash Paid to Employees for Services	(20,302,417)	(19,061,047)
Taxes Paid	(14,901,799)	(14,545,953)
<i>Net Cash Provided by Operating Activities</i>	26,798,163	22,937,265
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Other Interest Expense	-	(26,444)
<i>Net Cash Used by Noncapital Financing Activities</i>	-	(26,444)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(31,104,612)	(33,228,383)
Bond Principal Paid	(3,415,000)	(3,265,000)
Bond Interest Paid	(3,307,847)	(3,099,311)
Contributions in Aid of Construction	3,721,027	2,190,936
Proceeds from the Sale of Capital Assets	93,609	290,518
<i>Net Cash Used by Capital and Related Financing Activities</i>	(34,012,823)	(37,111,240)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	2,382,219	3,060,964
Proceeds from Sale of Investments	12,182,944	18,121,415
Purchase of Investments	(9,848,430)	(9,288,694)
<i>Net Cash Provided by Investing Activities</i>	4,716,733	11,893,685
NET (DECREASE) IN CASH	(2,497,927)	(2,306,734)
CASH & CASH EQUIVALENTS BALANCE, BEGINNING OF YEAR	40,979,493	43,286,227
CASH & CASH EQUIVALENTS BALANCE, END OF YEAR	\$38,481,566	\$40,979,493
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income	\$11,692,933	\$10,250,723
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Depreciation	12,288,014	11,834,814
BPA Prepaid & Power Contracts Amortization	1,288,482	1,289,330
(Increase) Decrease in Unbilled Revenues	(28,000)	69,000
Miscellaneous Other Revenue & Receipts	37,983	209,862
Adjustment (Decrease) to Pension Expense - non cash portion	(1,289,251)	(1,528,495)
Decrease (Increase) in Accounts Receivable	(438,654)	554,613
Decrease (Increase) in Inventories	1,493,962	(5,069,071)
Decrease (Increase) in Wholesale Power Receivable	149,967	16,778
Decrease (Increase) in Miscellaneous Assets	(31,036)	218,859
Decrease (Increase) in Prepaid Expense	166	(357,937)
Increase (Decrease) in Accounts Payable	801,807	1,598,167
Increase (Decrease) in Accrued Taxes Payable	39,787	(44,581)
Increase (Decrease) in Customer Deposits	227,013	(247,185)
Increase (Decrease) in BPA Prepay Incentive Credit	(161,256)	(161,256)
Increase (Decrease) in Other Current Liabilities	132,879	522,352
Increase (Decrease) in Other Credits	593,367	3,781,292
Net Cash Provided by Operating Activities	\$26,798,163	\$22,937,265

NONCASH OPERATING, INVESTING, CAPITAL, AND FINANCING ACTIVITIES

The District investments had an unrealized loss of \$20,321 in 2025 and an unrealized gain of \$162,796 in 2024.

Bond Interest Paid does not include subsidy payments on 2010 Revenue Build America Bonds made directly by the U.S. Treasury to the Fiscal Paying Agent of \$255,416 in 2025 and \$291,240 in 2024 (see Note 5).

The deferred inflows and outflows relating to GASB 68 had no effect on cash flows for 2025 and 2024. The pension deferred outflow was \$5,718,314 and \$5,388,477 as of December 31, 2025 and 2024, respectively. The pension deferred inflow was \$1,341,101 and \$1,483,590 as of December 31, 2025 and 2024, respectively.

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS - DECEMBER 31, 2025 & 2024

Note 1 - Summary of Operations and Significant Accounting Policies

Public Utility District No. 1 of Benton County, Washington (the "District") is a municipal corporation of the state of Washington established in 1934 for the purpose of engaging in the purchase, generation, transmission, distribution, and sale of electric energy. Additionally, the District is authorized under state law to provide wholesale telecommunication services.

The District serves Benton County exclusive of most of the City of Richland, the U.S. Department of Energy's operations on the Hanford Reservation, the City of West Richland and those rural areas of the county that are served by the Benton Rural Electric Association. Cities in the District's service area include Kennewick, population 87,790, Prosser, population 6,650, and Benton City, population 3,845. The District maintains its administrative offices in the City of Kennewick. The District is governed by an elected three-member board.

The District's service area comprises approximately 939 square miles of Benton County. The District's properties include 39 substations, approximately 114 miles of 115kV transmission lines, 1,761 miles of distribution lines, and other buildings, equipment, stores, and related facilities.

As required by Generally Accepted Accounting Principles (GAAP), management has considered all potential component units in defining the reporting entity and has no component units. The following is a summary of the more significant policies:

a) Basis of Accounting and Presentation: The accounting policies of the District conform to GAAP applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In 2025, the District adopted GASB statement No. 102 *Certain Risk Disclosures*. The pronouncement had no impact on the District's accounting and financial statements. In 2024, the District adopted GASB statements No. 100 *Accounting Changes and Error Corrections* and No. 101 *Compensated Absences*. Neither pronouncement had an impact on the District's accounting and financial statements.

Accounting records are maintained in accordance with methods prescribed by the Washington State Auditor's Office under the authority of Revised Code of Washington (RCW) 43.09 and the Uniform System of Accounts prescribed for public utilities and licensees by the Federal Energy Regulatory Commission (FERC). The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the related cash flows. Revenues and expenses related to the

District's principal operations are considered to be operating revenues and expenses; while revenues and expenses related to capital, financing, and investing activities are considered to be nonoperating revenues and expenses.

b) Cash and Cash Equivalents: The District considers cash and cash equivalents to be cash on hand, demand deposits, and all short-term highly liquid investments with a maturity of three-months or less when purchased. In addition, because the Local Government Investment Pool (LGIP) is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

For purposes of the statement of cash flows, the District considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

c) Investments: It is the District's policy to record investments at fair value based on quoted market rates, with changes in unrealized gains and losses reported as interest income. Investments in the LGIP are reported at amortized cost. For various risks related to the investments, see Note 3.

d) Accounts Receivable: Receivables are considered past due after 20 days and are written off 210 days after the respective billing dates. The percentage-of-sales allowance method is used to estimate uncollectible accounts. The reserve is then reviewed for adequacy against an aging schedule of accounts receivable. Accounts deemed uncollectible are transferred to the provision for uncollectible accounts on a monthly basis. The reserve for uncollectible accounts totaled \$411,242 and \$593,791 at December 31, 2025 and 2024, respectively.

e) Other Receivables: The balance includes a loan payment agreement entered into with NoaNet in 2023 totaling \$1,000,000. The loan balance totaled \$838,020 and \$921,650 at December 31, 2025 and 2024 respectively. See Note 10 for additional details.

f) Inventories: Inventories are valued at average cost.

g) Utility Plant and Depreciation: Utility plant is recorded at original cost, which includes both direct costs of construction or acquisition and indirect costs. The District's capitalization threshold is \$5,000 for non-infrastructure capital. All costs related to infrastructure are capitalized. The cost of maintenance and repairs is charged to expense as incurred, while the cost of replacements and improvements is capitalized.

Property, plant, and equipment are depreciated using the straight-line method over these estimated useful lives:

Buildings and Improvements	7 - 40 years
Generation Plant	20 years
Electric Plant - Transmission	25 – 40 years
Electric Plant - Distribution	7 – 40 years
Electric Plant/Equipment - Broadband	4 – 30 years
Transportation Equipment	17 years
General Plant & Equipment	4 – 40 years

Initial depreciation on utility plant is recorded in the month subsequent to purchase or completion of construction. Composite rates are used for asset groups and, accordingly, no gain or loss is recorded on the disposition of an asset unless it represents a major retirement. The composite depreciation rate was approximately 2.7% in 2025 and 3.1% in 2024. When operating plant assets are retired, their original cost together with removal costs, less salvage, is charged to accumulated depreciation.

Preliminary survey and investigation costs incurred for proposed projects are deferred pending a final decision to develop the project. Costs relating to projects ultimately constructed are reclassified to utility plant. If the project is abandoned, the costs are expensed.

As prescribed by FERC, the book cost of electric plant property retired or otherwise disposed of, less salvage, is charged to accumulated depreciation. As a result of this guidance, the decreases to accumulated depreciation can exceed the decreases to depreciable assets.

h) Debt Premium Amortization and Gain on Defeased Debt: Original issue and reacquired bond premiums relating to revenue bonds are amortized over the terms of the respective bond issues using the bonds outstanding method. Premiums are reported with revenue bonds on the Statement of Net Position. In accordance with GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*, gains and losses on debt refundings have been deferred and amortized over the shorter of the remaining life of the old or new debt. Gains and losses are reported as deferred inflows and deferred outflows of resources on the Statement of Net Position, respectively. Effective with GASB 65, bond issuance costs are expensed in the period incurred.

i) Revenue Recognition: Revenues from retail sales of electricity are recognized when earned and reported net of bad debt expense of \$81,900 and \$118,100 at December 31, 2025 and 2024, respectively. Revenues include an estimate for energy delivered to customers between the last billing date and the end of the year. This amount is reflected in the accompanying financial statements as Accrued Unbilled Revenue in the amount of \$4.1 million at December 31, 2025 and 2024.

j) Capital Contributions: Capital contributions for the District consist mainly of line extension fees. Line extension fees represent amounts collected to recover the costs of installing new lines. Capital contributions are recorded as deferred revenues when received and reclassified to revenue when the

related project is completed. Deferred revenues are reported as Other Credits & Liabilities on the Statement of Net Position, see Note 4.

k) Deferred Outflows/Inflows of Resources: In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

l) Leases: Leases are recognized in accordance with GASB Statement No. 87, *Leases*. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction.

If the District is a lessee, it should recognize a lease liability and an intangible right-to-use lease asset at the beginning of the lease term. A lease liability should be recognized at the present value of future lease payments less any lease incentives. The liability is adjusted over time as payments are made. The right-to-use asset is initially recognized at the amount of the lease liability plus prepayments less any lease incentives received prior to the lease beginning and is subsequently amortized over the life of the lease.

If the District is a lessor, it should recognize a lease receivable and a deferred inflow of resources. A lease receivable is recorded at the present value of lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. The deferred inflow of resources is recognized as the amount of the initial lease receivable and lease payments received prior to the lease term beginning less any lease incentives. The deferred inflows of resources should be recognized as revenue in a systematic and rational manner over the term of the lease.

Each year the District evaluates its leases and determines its reporting requirements. The District's leases are not material to the financial statements and therefore are reported within the balances on the statements. For 2025 and 2024, lease payments were expensed in the period they became due and lease revenue was recorded in the period earned.

m) Subscription-based Information Technology Arrangements (SBITAs): SBITAs are recognized in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. A SBITA is a contract that conveys control of the right to use another party's information technology (IT) software, alone or in combination with tangible capital assets as specified in the contract for a period of time in an exchange or exchange-like transaction.

When a SBITA is identified, the District should recognize an intangible right-to-use SBITA asset and a corresponding IT subscription liability. The liability is recognized at the beginning of the subscription term, which is when the asset is placed into service. The liability should be initially recorded at the present value of subscription payments expected to be made during the term. Future payments are discounted at the interest rate charged the District or the District's incremental borrowing rate if the interest rate is not readily available. The liability is adjusted over time as payments are made.

The intangible right-to-use asset should be recorded as the sum of the initial IT subscription liability, plus payments prior to the subscription term, and plus capitalizable implementation costs, less any incentives received before the subscription term. The District should recognize amortization of the intangible right-to-use asset as an outflow of resources over the subscription term.

Each year the District evaluates its SBITAs and determines its reporting requirements. The District's SBITAs are not material to the financial statements and therefore are reported within the balances on the statements. For 2025 and 2024, subscription payments were expensed in the period they became due.

n) Pensions: For purposes of measuring the net pension liability, net pension asset, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the state sponsored Public Employees Retirement System (PERS) and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, see Note 6.

For purposes of calculating the restricted net position related to the net pension asset, the District includes the net pension asset only.

o) Compensated Absences: The District consolidated its vacation and sick leave program to a personal leave program May 1, 1993. Accrued unused sick leave balances for active employees as of April 30, 1993, were frozen and converted to a supplemental leave benefit (SLB). The SLB may be used by employees to make up the difference between short-term disability benefit payments and 100% of gross, straight time pay. Additionally, an employee may restore work hours required for short-term disability eligibility one-time per Collective Bargaining Agreement Contract cycle (3 years). At death, the District is obligated to pay 100% of the SLB cash value to the employee's beneficiary. At retirement, the District is obligated to deposit 30% of the SLB cash value into the retiring employee's Voluntary Employee Beneficiary Association Trust account. The liability for unpaid supplemental leave benefits was \$19,852 and \$19,088 at December 31, 2025 and 2024, respectively.

Employees earn personal leave in accordance with length of service. The District accrues the cost of personal leave in the year when earned. Personal leave may accumulate to a maximum of 1,200 hours for non-bargaining employees. For bargaining employees hired prior to April 1, 2011, personal leave may

accumulate to a maximum of 1200 hours and for those hired on or after April 1, 2011, personal leave may accumulate to a maximum of 700 hours. Personal leave is payable upon separation of service, retirement, or death.

The liability for unpaid leave, benefits, and related payroll taxes was \$3,923,584 and \$3,571,210 at December 31, 2025 and 2024, respectively. Of the liability for unpaid leave, \$2,100,146 and \$1,917,215 at December 31, 2025 and 2024, respectively, were classified as a current liability and the remainder as a long-term liability, see Note 4.

p) Use of Estimates: The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

r) Significant Risk and Uncertainty: The District is subject to certain business risks that could have a material impact on future operations and financial performance. These risks include interest rates, weather and natural disaster-related disruptions, collective bargaining labor disputes, fish and other Endangered Species Act issues, Environmental Protection Agency and other federal government regulations, or orders concerning the operation, maintenance, and/or licensing of facilities, other governmental regulations, how wholesale market prices and water conditions impact the District's power provider's rates and surcharges, and the deregulation of the electrical utility industry.

The District's accounts receivable are concentrated with a diverse group of customers and counterparties who have purchased energy or other products and services. These customers generally do not represent a significant concentration of credit risk. The District mitigates credit risk by requiring large customers to provide an acceptable means of payment assurance and by an ongoing financial review of counterparties and establishment of credit limits based on the results of that review.

s) Bonneville Power Administration (BPA) Prepay Program: In March 2013, the District participated in BPA's Prepay Program making a lump-sum up-front payment of \$6.8 million. The District will receive \$9.3 million in credits which started in April 2013 and continue until September 2028, see Note 8.

Note 2 - Utility Plant

Utility plant activity for the years ended December 31 was as follows:

Activity for 2025

Electric Plant Assets	Balance		Increase	Decrease	Balance	
	Dec. 31, 2024				Dec. 31, 2025	
Capital Assets Not Being Depreciated:						
Land and Intangible Plant	\$4,434,802	\$22,056	\$	-	\$4,456,858	
Construction Work in Progress	20,317,992	27,563,147		(37,522,157)	10,358,982	
Capital Assets Being Depreciated:						
Transmission	12,923,097	12,418,246		(88,822)	25,252,521	
Generation	1,765,430	-		-	1,765,430	
Distribution	316,929,789	23,099,620		(2,368,832)	337,660,577	
General	86,568,246	5,007,244		(169,527)	91,405,963	
Subtotal	418,186,562	40,525,110		(2,627,181)	456,084,491	
Less Accumulated Depreciation for:						
Transmission	(7,806,051)	(352,480)		115,708	(8,042,823)	
Generation	(1,488,952)	(27,556)		-	(1,516,508)	
Distribution	(181,509,241)	(9,373,028)		2,862,496	(188,019,773)	
General	(56,333,878)	(2,480,194)		(444,700)	(59,258,772)	
Total Accumulated Depreciation	(247,138,122)	(12,233,258)		2,533,504	(256,837,876)	
Net Utility Plant	\$195,801,234	\$55,877,055		(\$37,615,834)	\$214,062,455	

Activity for 2024

Electric Plant Assets	Balance		Increase	Decrease	Balance	
	Dec. 31, 2023				Dec. 31, 2024	
Capital Assets Not Being Depreciated:						
Land and Intangible Plant	\$4,418,285	\$16,517	\$	-	\$4,434,802	
Construction Work in Progress	11,100,312	29,447,005		(20,229,325)	20,317,992	
Capital Assets Being Depreciated:						
Transmission	11,641,591	1,335,702		(54,196)	12,923,097	
Generation	1,765,430	-		-	1,765,430	
Distribution	299,895,641	18,859,497		(1,825,349)	316,929,789	
General	84,014,275	3,265,296		(711,325)	86,568,246	
Subtotal	397,316,937	23,460,495		(2,590,870)	418,186,562	
Less Accumulated Depreciation for:						
Transmission	(7,563,284)	(338,321)		95,554	(7,806,051)	
Generation	(1,459,409)	(29,543)		-	(1,488,952)	
Distribution	(174,858,932)	(9,537,463)		2,887,154	(181,509,241)	
General	(53,814,543)	(2,918,780)		399,445	(56,333,878)	
Total Accumulated Depreciation	(237,696,168)	(12,824,107)		3,382,153	(247,138,122)	
Net Utility Plant	\$175,139,366	\$40,099,910		(\$19,438,042)	\$195,801,234	

Note 3 - Deposits and Investments

A. Deposits

Cash and Cash Equivalents Deposits – The District moves cash as necessary between accounts, Washington State Treasurer’s Local Government Investment Pool (LGIP) and various bank revolving or holding accounts, to pay its obligations. The District’s deposits are held by public depositories authorized by the Washington Public Deposit Protection Commission (PDPC) and are not subject to custodial credit risk. State law requires public depositories to fully collateralize.

B. Investments

Fair Value – The District measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities;
- Level 2 - These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable;
- Level 3 - Unobservable inputs for an asset or liability.

Investments are valued by Principal Custody Solutions through ICE with secondary sources being Bloomberg, IHS Markit, and QUODD. Methods used include pricing applications and models that integrate credit information, market movements, account spread scales, benchmark quotes, and relevant trade data.

As of December 31, 2025, the District had the following investments measured at fair value:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
United States Treasuries	\$7,943,030	\$7,943,030	\$-	\$-
Federal Farm Credit Bank	1,996,720	-	1,996,720	-
Federal Home Loan Bank	1,008,540	-	1,008,540	-
Tennessee Valley Authority	<u>992,210</u>	-	<u>992,210</u>	-
Total Investments by Fair Value Level		\$7,943,030	\$3,997,470	\$-
Total Investments Measured at Fair Value	\$11,940,500			

As of December 31, 2024, the District had the following investments measured at fair value:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
United States Treasuries	\$8,854,420	\$8,854,420	\$-	\$-
Federal Farm Credit Bank	1,970,200	-	1,970,200	-
Federal Home Loan Bank	1,990,140	-	1,990,140	-
Tennessee Valley Authority	<u>1,480,575</u>	-	<u>1,480,575</u>	-
Total Investments by Fair Value Level		\$8,854,420	\$5,440,915	\$-
Total Investments Measured at Fair Value	\$14,295,335			

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District’s investment policy conforms with state law, which restricts investments of public funds to debt securities and obligations of the United States (U.S.) Treasury, U.S. Government agencies, and certain other U.S. Government sponsored corporations, certificates of deposit, and other evidences of deposit at financial institutions qualified by the PDPC, bankers’ acceptances, investment-grade general obligation debt of state and local governments and public authorities, and the LGIP.

The District is a voluntary participant in the LGIP. The pool is not rated and not registered with the SEC. Rather, the LGIP is governed by the State Finance Committee and is administered by the Washington State Treasurer. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool shares. There is no formal withdrawal transaction limit, however, the LGIP requests a one-day notice for transaction sizes of ten million dollars or more. The Office of the State Treasurer prepares a stand-alone financial report for the LGIP. A copy of the report is available online at www.tre.wa.gov. The District has a third-party safekeeping agreement for investments through Principal Custody Solutions.

At December 31, 2025, District investments had the following credit quality distribution for investments with credit exposure:

<u>Investment Type</u>	<u>Ratings</u>		<u>Fair Value</u>
	<u>Moody’s</u>	<u>S&P</u>	
U.S. Treasury Notes	Aa1	AA+	\$ 7,943,030
U.S. Agencies	Aa1 to <u>Aaa</u>	<u>AA+</u>	<u>3,997,470</u>
Total Investments by Type			\$11,940,500

At December 31, 2024, District investments had the following credit quality distribution for investments with credit exposure:

<u>Investment Type</u>	<u>Ratings</u>		<u>Fair Value</u>
	<u>Moody's</u>	<u>S&P</u>	
U.S. Treasuries	Aaa	AA+	\$ 8,854,420
U.S. Agencies	Aaa	AA+	5,440,915
Total Investments by Type			\$14,295,335

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. It is the District's policy to diversify investments to avoid over concentration and custodial risk as noted in the next section. Investments in U.S. Treasury issues are explicitly guaranteed by the U. S. government and are not subject to credit risk. Investments in U.S. Agencies are subject to this risk.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributable to the magnitude of an investment in a single issuer. The District's investment policy limits investments at the time of purchase to a percentage of the total investment portfolio in the following manner:

- Direct obligations of the U.S. Government, up to 100%
- Washington State Treasurer's Local Government Investment Pool, up to 100%
- U.S. Government agency debt, up to 30% for any single agency
- Certificate of Deposit, up to 50% from any single bank provided they are PDPC approved

Interest Rate Risk – Interest rate risk is the risk the District may face should interest rate variances affect the fair value of investments. In accordance with its investment policy, the District manages its exposure to declines in fair values by matching investment maturities to meet anticipated cash flow requirements. The policy limits investment maturities to less than 5-years from the date of the purchase unless the maturities coincide as nearly as practicable with the expected use of the funds.

At December 31, 2025, District investments had the following maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		
		<u>Less Than 1</u>	<u>1 to 3</u>	<u>More Than 3</u>
U.S. Treasury Notes	\$ 7,943,030	\$5,942,130	\$2,000,900	\$-
U.S. Agencies	3,997,470	3,005,260	992,210	-
Total Investments by Maturity		\$8,947,390	\$2,993,110	\$-
Total Investments	\$11,940,500			

At December 31, 2024, District investments had the following maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 to 3	More Than 3
U.S. Treasury Notes	\$ 8,854,420	\$ 7,896,580	\$ 957,840	\$-
U.S. Agencies	5,440,915	3,470,715	1,970,200	-
Total Investments by Maturity		\$11,367,295	\$2,928,040	\$-
Total Investments	\$14,295,335			

Note 4 - Other Charges and Other Credits

As of December 31, other charges consisted of the following:

Other Charges	2025	2024
White Creek Wind Project (Note 8)	1,109,068	1,687,468
Preliminary Surveys	137,838	28,804
Total	\$1,246,906	\$1,716,272

During the year ended December 31, 2025, the following changes occurred in other credits:

Other Credits & Other Liabilities	Balance			Balance Dec. 31, 2025
	Dec. 31, 2024	Increase	Decrease	
Unclaimed Property	\$41,558	\$11,241	\$9,750	\$43,049
Bio Fuel Deposit	487,000	-	-	487,000
Deferred Revenue	2,046,999	4,667,962	4,245,529	2,469,432
CCA Allowance Proceeds (Note 12)	3,626,559	-	-	3,626,559
Personal Leave and Benefits*	1,653,995	2,642,865	2,473,422	1,823,438
Total	\$7,856,111	\$7,322,068	\$6,728,701	\$8,449,478

* In addition to this amount, \$2,100,146 is reported as a current liability for personal leave and related benefits.

During the year ended December 31, 2024, the following changes occurred in other credits:

Other Credits & Other Liabilities	Balance			Balance Dec. 31, 2024
	Dec. 31, 2023	Increase	Decrease	
Unclaimed Property	\$36,098	\$11,782	\$6,322	\$41,558
Bio Fuel Deposit	487,000	-	-	487,000
Deferred Revenue	1,789,693	3,256,169	2,998,863	2,046,999
CCA Allowance Proceeds (Note 12)	-	3,626,559	-	3,626,559
Personal Leave and Benefits*	1,762,028	2,593,787	2,701,820	1,653,995
Total	\$4,074,819	\$9,488,297	\$5,707,005	\$7,856,111

* In addition to this amount, \$1,917,215 is reported as a current liability for personal leave and related benefits.

Note 5 - Long-Term Liabilities

During the year ended December 31, 2025, the following changes occurred in long-term liabilities:

Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2010 Revenue Build America Bonds, Original issue amount: \$17,345,000	\$12,215,000	\$ -	\$1,840,000	\$10,375,000	\$1,910,000
2016 Revenue and Refunding Bonds, Original issue amount: \$22,470,000	20,825,000	-	935,000	19,890,000	1,020,000
2020 Revenue and Refunding Bonds, Original issue amount: \$23,495,000	17,565,000	-	640,000	16,925,000	-
2023 Revenue Bonds, Original issue amount: \$23,025,000	23,025,000	-	-	23,025,000	-
<i>Subtotal</i>	73,630,000	-	3,415,000	70,215,000	2,930,000
Plus: Unamortized premium	6,642,731	-	517,912	6,124,819	-
Total Bonds	80,272,731	-	3,932,912	76,339,819	\$2,930,000
BPA Prepay Incentive Credit	604,741	-	161,256	443,485	161,256
Net Pension Liability	1,539,417	-	490,405	1,049,012	-
Personal Leave and Benefits*	3,571,210	2,642,865	2,290,491	3,923,584	2,100,146
Total Long-Term Liabilities	85,988,099	\$2,642,865	6,875,064	81,755,900	\$5,191,402

*Personal leave and benefits are reported on the Statement of Net Position within the balances of Other Accrued Liabilities and Other Credits & Liabilities. It is also disclosed in Note 4.

During the year ended December 31, 2024, the following changes occurred in long-term liabilities:

Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2010 Revenue Build America Bonds, Original issue amount: \$17,345,000	\$13,990,000	\$ -	\$1,775,000	\$12,215,000	\$1,840,000
2016 Revenue and Refunding Bonds, Original issue amount: \$22,470,000	21,680,000	-	855,000	20,825,000	935,000
2020 Revenue and Refunding Bonds, Original issue amount: \$23,495,000	18,200,000	-	635,000	17,565,000	640,000
2023 Revenue Bonds, Original issue amount: \$23,025,000	23,025,000	-	-	23,025,000	-
<i>Subtotal</i>	76,895,000	-	3,265,000	73,630,000	3,415,000
Plus: Unamortized premium	7,175,930	-	533,199	6,642,731	-
Total Bonds	84,070,930	\$0	3,798,199	80,272,731	\$3,415,000
BPA Prepay Incentive Credit	765,997	-	161,256	604,741	161,256
Net Pension Liability	2,089,978	-	550,561	1,539,417	-
Personal Leave and Benefits*	3,286,959	2,593,787	2,309,536	3,571,210	1,917,215
Total Long-Term Liabilities	90,213,864	\$2,593,787	6,819,552	85,988,099	\$5,493,471

*Personal leave and benefits are reported on the Statement of Net Position within the balances of Other Accrued Liabilities and Other Credits & Liabilities. It is also disclosed in Note 4.

Future debt service requirements on these bonds are as follows:

Year	Principal	Interest	Total
2026	\$2,930,000	\$3,402,545	\$6,332,545
2027	3,095,000	3,239,619	6,334,619
2028	3,280,000	3,054,181	6,334,181
2029	3,475,000	2,858,179	6,333,179
2030	3,670,000	2,664,185	6,334,185
2031-2035	14,585,000	11,063,750	25,648,750
2036-2040	18,110,000	7,542,550	25,652,550
2041-2045	15,710,000	3,394,450	19,104,450
2046-2048	5,360,000	544,750	5,904,750
Total	\$70,215,000	\$37,764,209	\$107,979,209

Bond Issuances

In March 2010, the District issued \$17,345,000 of taxable Electric Revenue Build America Bonds. The proceeds were used to fund capital projects. The bonds are payable in annual installments between \$1,645,000 and \$2,250,000 beginning November 1, 2022 and ending November 1, 2030. The bond interest rate varies between 5.86% and 6.546%. The U.S. Treasury subsidizes a portion (32.6% after sequestration) of the interest debt service payments which it pays directly to the Fiscal Paying Agent.

In September 2016, the District issued \$22,470,000 of Electric Revenue and Refunding Bonds, Series 2016. The bond proceeds were used to fund \$15.1 million of improvements and replacements of the District's electric utility system and to refund the 2011 bonds maturing on and after November 1, 2023. The portion of bond proceeds for the refunding was placed in an irrevocable trust for future debt service on the refunded bonds. The 2016 bonds are payable in annual installments between \$790,000 and \$1,560,000 beginning November 1, 2023 and ending November 1, 2041. The bond interest rate varies between 4.0% and 5.0%.

In September 2020, the District issued \$23,495,000 of Electric Revenue and Refunding Bonds, Series 2020A and Series 2020B. The bond proceeds were used to fund \$20 million of improvements and replacements in the District's electric utility system and to refund the remaining 2011 bonds maturing on November 1, 2021 to November 1, 2022. The portion of bond proceeds for the refunding and a cash contribution from the District in lieu of an upcoming debt service payment due November 1, 2020 was placed in an irrevocable trust for future debt service on the refunded bonds. The 2020 bonds are payable in annual installments between \$630,000 and \$3,115,000 beginning November 1, 2021 and ending November 1, 2045. The bond interest rate varies between 0.4% and 5.0%. The bond refunding reduced total debt service payments by \$48,004 and resulted in an economic gain of \$16,300. The primary purpose of refunding the 2011 bonds was to lower ongoing debt service reserve fund requirements. The bond proceeds were fully spent by December 31, 2021.

In December 2023, the District issued \$23,025,000 of taxable Electric Revenue Bonds. The proceeds are being used to fund capital projects. The bonds are payable in annual installments between \$820,000 and \$1,875,000 beginning November 1, 2031 and ending November 1, 2048. The bond interest rate is 5.00% for all years. All proceeds were spent by December 31, 2024 and within the federal arbitrage 18-month spending exception.

Principal and interest on all bonds are payable solely from and secured by a pledge of all future income (including investment income), revenues, and receipts derived by the District through the ownership and operation of the electric system net of operating expenses. In the event the District is unable to pay any installment, or any portion thereof, the payment of the principal amount of the bonds is not subject to acceleration. The District would be liable only for principal and interest payments as they became due, and the bond owners would be required to seek separate judgment for each payment, if any, not made. Any such action for money damages would be subject to any limitations on legal claims and remedies against public bodies under Washington law. No assets were used as collateral for these bonds.

These issuances are subject to certain bond reserve requirements satisfied by bond insurance.

Note 6 - Pension Plans

The following table represents the aggregate pension amounts for all plans (PERS and deferred compensation) for the years 2025 and 2024:

Aggregate Pension Amounts - All Plans		
	2025	2024
Pension liabilities	\$1,049,012	\$1,539,417
Pension assets	\$4,396,197	\$3,703,865
Deferred outflows of resources	\$5,718,314	\$5,388,477
Deferred inflows of resources	\$1,341,101	\$1,483,590
Pension expense	\$346,099	\$241,906

State Sponsored Pension Plans

Substantially all District regular full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes

financial statements and required supplementary information for each plan. The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS is composed of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3 and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as 2 percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least 5 years of service. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

PERS Contributions

The PERS Plan 1 member contribution rate is established by State statute at 6%. The PERS 1 employer contribution rate and PERS 2/3 employer and employee contribution rates are developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 2/3 employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Accrued Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits.

The PERS Plan defined benefit required contribution rates (expressed as a percentage of covered payroll) for 2025 and 2024 were as follows:

Employer Contribution Rates - 2025				
Timeframe	Contribution Rate	PERS 1 UAAL	Admin Fee	Total Employer
January – June	6.36%	2.55%	0.20%	9.11%
July – December	5.38%	0.00%	0.20%	5.58%

Employer Contribution Rates - 2024				
Timeframe	Contribution Rate	PERS 1 UAAL	Admin Fee	Total Employer
January – June	6.36%	2.97%	0.20%	9.53%
July – August	6.36%	2.47%	0.20%	9.03%
September – December	6.36%	2.55%	0.20%	9.11%

Plan	Employee Contribution Rate
PERS 1	6.00%
PERS 2	6.36% (January - June), 5.38% (July - December)
PERS 3	Varies: 5% - 15%

Both the District and its employees made the required contributions during fiscal years 2025 and 2024. The District’s required employer contributions for the years ended December 31 are as follows:

	2025	2024
PERS 1	\$ -	\$ -
PERS 1 UAAL	238,630	497,654
PERS 2/3	1,107,694	1,153,962
Total	\$1,346,324	\$1,651,616

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined in 2025 by an actuarial valuation completed as of June 30, 2024 with the results rolled forward to June 30, 2025. In 2024, the most recent actuarial valuation completed in 2024 with a valuation date of June 30, 2023 was used. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study and the 2023 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2024 and 2023 actuarial valuation reports. The TPL was calculated as of the valuation dates and rolled forward to the measurement dates of June 30, 2025 and June 30, 2024. Plan liabilities were rolled forward from June 30, 2024 to June 30, 2025 and June 30, 2023 to June 30, 2024 for the respective fiscal years, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

For 2025,

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increase.
- **Investment rate of return:** 7%

For 2024,

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increase.
- **Investment rate of return:** 7%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Change in Assumptions and Methods: OSA improved their modeling of benefits paid to retirees and beneficiaries in their month of death to better match current administrations.

Discount Rate

In 2025 and 2024, the discount rate used to measure the total pension liability for all DRS plans was 7.0% and 7.0% respectively.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan’s fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA’s assumptions, the pension plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.0% and 7.0% for 2025 and 2024 respectively was used to determine the total liability.

Long-Term Expected Rate of Return

In 2025 and 2024, OSA selected a 7% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board

(WSIB). The WSIB uses the CMA’s and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2025, and 2024. The inflation component used to create the table is 2.5% and represents WSIB’s most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	2025 % Long-Term Expected Real Rate of Return Arithmetic	2024 % Long-Term Expected Real Rate of Return Arithmetic
Fixed income	19%	2.1%	2.1%
Tangible Assets	8%	4.5%	4.5%
Real Estate	18%	4.8%	4.8%
Global Equity	30%	5.6%	5.6%
Private Equity	25%	8.6%	8.6%
	100%		

Sensitivity of Net Pension Liability/(Asset)

The table below presents the District’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.0% and 7.0% for 2025 and 2024 respectively, as well as what the District’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6%) or 1-percentage point higher (8%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
2025	(6.0%)	(7.0%)	(8.0%)
PERS 1	\$1,770,104	\$1,049,012	\$416,596
PERS 2/3	\$7,133,947	(\$4,396,197)	(\$13,865,663)
2024	(6.0%)	(7.0%)	(8.0%)
PERS 1	\$2,264,444	\$1,539,417	\$903,551
PERS 2/3	\$6,676,923	(\$3,703,865)	(\$12,229,389)

Pension Plan Fiduciary Net Position

Detailed information about the State’s pension plans’ fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At June 30, 2025 and 2024, the District reported proportionate share of the net pension liabilities or (assets) as follows:

	2025 Liability (or Asset)	2024 Liability (or Asset)
PERS 1	\$1,049,012	\$1,539,417
PERS 2/3	(\$4,396,197)	(\$3,703,865)

At June 30, the District’s proportionate share of the collective net pension liabilities or assets were as follows:

	Proportionate Share 2025	Proportionate Share 2024	Change in Proportion
PERS 1	0.088975%	0.086638%	0.002337%
PERS 2/3	0.115199%	0.112355%	0.002844%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2025 and 2024, respectively, are used as the basis for determining each employer’s proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Nonemployer Allocations.

Pension Expense

For the year ended December 31, 2025, and 2024, the District recognized pension expense (credit) as follows:

Plan	Pension Expense/(Credit)	
	2025	2024
PERS 1	(\$50,872)	(\$144,505)
PERS 2/3	(\$257,867)	(\$173,555)
Total	(\$308,739)	(\$318,060)

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2025 and 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2025	2024	2025	2024
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ -	\$72,116	\$123,180
Contributions subsequent to the measurement date	2,648	254,616	-	-
TOTAL	\$2,648	\$254,616	\$72,116	\$123,180

PERS 2/3	Deferred Outflows of Resources		Deferred Inflows of Resources	
	2025	2024	2025	2024
Differences between expected and actual experience	\$3,214,237	\$2,104,615	\$ -	\$8,576
Net difference between projected and actual investment earnings on pension plan investments	-	-	989,990	1,061,422
Changes of assumptions	1,698,965	2,045,281	121,396	234,676
Changes in proportion and differences between contributions and proportionate share of contributions	283,336	349,926	157,599	55,736
Contributions subsequent to the measurement date	519,128	634,039	-	-
TOTAL	\$5,715,666	\$5,133,861	\$1,268,985	\$1,360,410
TOTAL ALL PLANS	\$5,718,314	\$5,388,477	\$1,341,101	\$1,483,590

Deferred outflows of resources related to pensions resulting from the District’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	PERS 1	PERS 2/3
2026	\$68,814	\$1,572,118
2027	(50,130)	643,200
2028	(52,059)	633,116
2029	(38,741)	258,259
2030	-	576,283
Thereafter	-	244,577
Total	(\$72,116)	\$3,927,553

Deferred Compensation Plans

The District offers qualified employees deferred compensation plans created in accordance with Internal Revenue Code Sections 457(b) and 401(a) permitting employees to defer a portion of their salary until future years. Qualified District employees include current full-time, non-represented employees with 30 or more hours per week, retirees, and those who have separated service but choose to keep their assets in the Plans. In a defined contribution plan, benefits depend solely on the amounts contributed to the plans plus investment earnings. There are no forfeitures of member assets.

As part of the 2020-2023 collective bargaining agreement, the District agreed to a 1% increase in the employer contribution rate. The new contribution rate is 3% of regular straight-time wages. Additionally, the “employer match” requirement was removed. Eligible active employees who participate may contribute between 0% up to the plan limit of pretax annual compensation, as defined in the Plans and will receive the employer contribution regardless of their contribution amount. Contributions to employee accounts are immediately fully vested.

The deferred compensation is generally not available to employees until separation from service through termination, retirement, death, or unforeseeable emergency. Upon separation, a participant may elect to receive either a lump sum payment or periodic installments. The 457 plan does contain an employee loan provision. Employees may apply with the Plan Administrator; terms of repayment are set by the Administrator. The plan assets are held in trust for the exclusive benefit of plan participants and beneficiaries. The plans are administered by MissionSquare Retirement.

The total employer contributions for all plans were \$654,838 for 2025 and \$559,966 for 2024. Expenses for the Plans is reported within the balances on the Statement of Revenues, Expenses, and Changes in Net Position. The deferred compensation plans do not have separately available financial statements.

Note 7 - Health Benefit Plans

Health Reimbursement Arrangement (HRA VEBA)

The District, effective January 1, 2015, converted the employee incentive for voluntary participation in the employer provided wellness program to a fixed monthly contribution into an HRA. This payment is intended to help employees pay for qualified health care costs and insurance premiums upon retirement. Contributions are held in trust for the exclusive benefit of participants and beneficiaries. The plan was administered by Gallagher VEBA during the year.

The District, effective January 1, 2020, implemented a new benefit to employees in accordance with the 2020-2023 Collective Bargaining Agreement. The benefit provides a monthly VEBA contribution to all employees in a regular full-time position. In addition, effective June 17, 2024, a new benefit amount for non-represented employees was implemented in accordance with District Resolution 2256.

HealthInvest Health Reimbursement Arrangement (HealthInvest HRA)

The District adopted an HealthInvest HRA plan, with contributions effective January 1, 2019. This payment is intended to help eligible employees pay for qualified insurance premiums only after an employee has separated service or upon retirement. Contributions are held in trust for the exclusive benefit of participants and beneficiaries. The plan was administered by Gallagher VEBA during the year.

Note 8 - Long-Term Purchased Power Commitments

Bonneville Power Administration (BPA)

BPA was established by the Bonneville Project Act of 1937. BPA markets power from 31 federal hydroelectric projects, most of which are located in the Columbia River basin and all of which are owned and operated either by the United States Army Corps of Engineers or the United States Bureau of Reclamation. BPA also acquired on a long-term basis and markets power from several non-federally owned and operated projects, including an operating nuclear generating station owned by Energy Northwest. In addition, firm energy from transfers, exchanges, and purchases comprise the remaining portion of BPA's electric power resources.

Effective October 1, 2023, with BPA's consent, the District switched its power sales agreement from Slice/Block to the Load Following product for the remainder of the contract term, through September 30, 2028. Under the Load Following agreement, BPA is obligated to meet all of the District's electric power load to the extent not met by power the District has otherwise committed to meet its loads. This change was made to eliminate the District's direct participation in power markets as a buyer and seller and is expected to reduce power supply price risk and the risk of not having adequate physical generation to meet demand.

The District and other publicly owned utilities and cooperatives are “preference” customers of BPA pursuant to federal legislation, which requires BPA to give preference and priority to public agencies and cooperatives in the distribution and marketing of federal power. Under all of the BPA contracts, the amount of power that BPA’s preference customers may purchase under BPA’s lowest cost rate is limited to an amount equal to the generating output of the current Federal System, with some limited amounts of augmentation (“Tier 1” power). Any incremental purchases by preference customers from BPA above this base amount of power is sold at a higher rate reflecting the incremental cost to BPA of obtaining additional power (“Tier 2” power). BPA has established for each preference customer a contractually defined level of access to power available at BPA’s lowest cost preference rate (“Tier 1” rates). This Tier 1 amount is based on the customer’s net requirement load for the 12-month period ended September 23, 2010.

Beginning October 1, 2023, the District has elected to serve its net requirement above the Tier 1 allocation with Tier 2. In fiscal years 2024 and 2025 the District will receive 201 aMW in the form of Tier 1 power and the remainder of its net requirement will be served with 10-11 aMWs of Tier 2 power.

BPA is required by federal law to recover all its costs through the rates it charges its customers. BPA’s price varies among preference customers, depending on what product the customer has purchased. BPA conducts a rate case every two years, but the rates are subject to a cost recovery adjustment clause that allows power rates to increase during a two-year rate period if certain events occur. There are any number of factors that have impacted and could impact BPA’s cost of service and rates, including federal legislation, BPA’s obligations regarding its outstanding federal debt, number of customers, water conditions, fish and other environmental regulations, capital needs of the Federal System, outcome of various litigation, and regional transmission issues. During the two-year rate period, BPA may impose a financial reserve surcharge if its reserves drop below a set amount.

BPA’s Tier 1 power effective annual rates decreased by an average of 0.9% for fiscal years 2024-2025 rate period from the 2022-2023 rate period. Benton PUD’s forecasted Tier 1 power effective annual rate decreased from \$33.72 per megawatt-hour (“MWh”) for fiscal years 2022-2023 to \$33.42 per MWh for 2024-2025.

At the beginning of each BPA fiscal year, which starts in October, of a rate period (that is, each “applicable year”), BPA will calculate financial reserves available for risk that are attributed to Power Services (Power RFR) as of the end of the fiscal year preceding the applicable year. Based on the calculation criteria in BPA’s Power Rate Schedules and General Rate Schedule Provisions, a Power FRP Surcharge may trigger, resulting in a temporary rate increase that will go into effect for the period of December 1 through September 30 of the applicable year. BPA notified the District a surcharge of \$40 million would be recovered in rates for the period above. The District’s portion is estimated at \$1.52 million.

BPA requires that transmission services be purchased separately. The District has executed BPA’s Network Integration Transmission (NT) Service Agreement for transmission service from October 1, 2023

through September 30, 2031. The District previously had a Point-to-Point (PTP) Transmission Agreement that began in May 1997, but it was converted to NT service effective October 1, 2023. BPA's transmission rate was \$2.031 per kilowatt per month for fiscal years 2022-2023 and 2024-2025.

In October 2025, the District executed a Load Following Power Sales Agreement with BPA for the period commencing October 1, 2028, and expiring September 30, 2044.

BPA Prepay Program

BPA developed a Prepay Program to help fund hydro system infrastructure and as a means to allow customers to prepay for the future delivery of power consistent with the existing power supply agreements, except that payment provisions would be revised to reflect the prepayment. The District submitted an offer for one block in the amount of \$6.8 million that was accepted and, in return, would receive a total of \$9.3 million in credits resulting in net present value savings of \$1.1 million. The District made a lump-sum up-front payment in March 2013, and began receiving a \$50,000 credit each month on its power bill beginning April 2013 and continues until September 2028.

Energy Northwest – Nine Canyon Wind Project

The District entered into a Nine Canyon Wind Project Power Purchase Agreement with Energy Northwest for the purchase of 3 MW of capacity (1 aMW) of Phase I through July 1, 2023. The project reached commercial operation in late 2002. On October 30, 2006, the District signed an Amended and Restated Agreement with Energy Northwest and the other purchasers, which extended the term of the Agreement through July 1, 2030 (with rights to extend the agreement for 5-year terms) and provided the District with 6 MW (2 aMW) from the Phase III expansion (see Note 12).

Energy Northwest - Packwood Lake Hydroelectric Project (Packwood)

The District is a 14% participant in Energy Northwest's 27 MW Packwood Project, located in the Cascade Mountains south of Mount Rainier. The Packwood Agreement with Energy Northwest obligates participants to pay annual costs and receive excess revenues. Energy Northwest recognizes revenues equal to expenses for each period. No net revenue or loss is recognized, and no equity is accumulated. Accordingly, no investment for the joint venture is reflected on the District's Statement of Net Position..

Lakeview Light and Power (LL&P) Wind Energy, Inc.

In April 2007, the District entered into a 20-year Energy and Environmental Attributes Purchase Agreement with LL&P to purchase 3 MW of capacity (1 aMW) at the White Creek Wind Project. This project is a wind generation facility with capacity of 204.7 MW. It is located in Klickitat County and was declared to be in commercial operation in November 2007. The purchase is part of the District's strategy for meeting renewable resource requirements of the Energy Independence Act (EIA) (see Note 12). The District pays for only the energy and associated environmental attributes generated by the project.

White Creek Wind Project

In September 2008, the District entered into an Assignment Agreement with Klickitat PUD under which Klickitat PUD assigned the District a 3% share of its Energy Purchase Agreement with White Creek Wind I, LLC for \$11.1 million. The purchase is part of the District's strategy for meeting renewable resource requirements of EIA (see Note 12). The purchase cost is being amortized on a straight-line basis over a 19-year term resulting in a power supply expense of \$578,400 each year. This 3% share of the 204.7 MW project represents 6.14 MW (2 aMW).

BioFuels Washington, LLC Project/Emerald City Renewables LLC

In February 2013, the District entered into a contract with BioFuels Washington, LLC of Encinitas, CA, to purchase 33,000 Renewable Energy Credits (REC) annually, with a contract term of March 1, 2013, through March 31, 2026, with delivery beginning January 1, 2016. This REC purchase counts toward the District's compliance with the EIA target of 15% renewable energy.

Subsequently, on September 18, 2013, the State of Washington Department of Commerce issued an advisory opinion stating that electricity generated by the BioFuels Washington facility qualifies as distributed generation under RCW 19.285.040(2)(b). For purposes of the compliance with EIA, the Renewable Energy Credits purchased from BioFuels will count double. Therefore, for compliance purposes, this contract provides 66,000 RECs annually toward the District's compliance with the EIA target of 15% renewable energy.

In October 2015, the District consented to the assignment of contracts of the facility to Emerald City Renewables LLC. There were no changes to the District's rights or obligations.

3Degrees Group, Inc.

In September 2018, the District entered into a contract with 3Degrees Group, Inc. of San Francisco CA, to purchase 60,000 firm RECs annually, with a contract term of April 1, 2019, through April 15, 2028, with delivery beginning no earlier than April 1, 2019.

In December 2025, the District entered into a contract with 3Degrees Group, Inc. of San Francisco CA, to purchase 50,000 firm RECs annually, with a contract term of January 1, 2026, through December 31, 2030, with delivery beginning no earlier than July 1, 2026, and shall continue until April 15, 2031.

These REC purchases count toward the District's compliance with the EIA target of 15% renewable energy.

RPS Advisors

In September 2019, the District entered into a contract with RPS Advisors of Denver CO, to purchase 40,000 firm RECs annually, with a contract term of January 1, 2020, through April 15, 2030, with delivery beginning no earlier than January 1, 2020. This REC purchase counts toward the District's compliance with the EIA target of 15% renewable energy.

Caely Renewables

In December 2025, the District entered into a contract with Caely Renewables US LLC of Houston TX, for delivery of 40,000 contingent RECs annually, with a contract term of January 1, 2026, through December 30, 2026, with delivery beginning no earlier than July 1, 2026, and shall continue until April 15, 2027. This REC purchase counts toward the District's compliance with the EIA target of 15% renewable energy.

Morgan Stanley Capital Group, Inc

In January 2020, the District entered in a contract with Morgan Stanley Capital Group, Inc, to purchase a seasonal capacity product. The contract helped reduce the District's power supply risk after the conclusion of the Fredrickson contract by having a firm physical resource it could call on if the market did not have adequate supply during the District's highest deficit months. The term of the contract was December 2022 to August 2025. The District had the option to call upon the following amounts:

<u>Seasonal Months</u>	<u>Volume</u>
July/August	75MW HLH
December/January/February	25MW HLH

As a result of changing to the load following agreement with BPA effective October 1, 2023, the District resold the same rights as contained in this contract for the term of December 1, 2023 to August 31, 2025 to The Energy Authority (TEA).

Other Power Related Contracts

As a result of changing to the load following product with BPA effective October 1, 2023, the District amended its resource management agreement with TEA to provide trading services for some of its wind resources as well as for other services including carbon management tracking services. Before the change, TEA provided scheduling, dispatching, fuel management, and other power management services.

Note 9 - Self-Insurance

In the normal course of business, the District is exposed to various risks of loss related to liability claims, property damage, and employee health and welfare programs. The District participates in the following self-insurance programs to protect against such losses.

Public Utility Risk Management Services Self-Insurance Fund

The District is a member of the Public Utility Risk Management Services (PURMS) Self-Insurance Fund. PURMS is a public entity risk pool organized on December 30, 1976, in the State of Washington under RCW 54.16.200 and interlocal governmental agreements. It currently operates under RCW 48.62. Its members include 18 public utility districts and one non-profit mutual corporation. The objectives of PURMS are to formulate, develop, and administer a program of self-insurance in order to obtain lower costs for the various coverages provided to its members and to develop a comprehensive loss control program.

The risks shared by the members are defined in the Self-Insurance Agreement (SIA). The fund consists of three pools for liability, property, and health and welfare coverage. The pools operate independently of one another. All members do not participate in all pools. The District does not participate in the health and welfare pool.

The pools are governed by a Board of Directors which consists of one designated representative from each participating member. The Administrator and an elected Administrative Committee are responsible for conducting the business affairs of the Pool.

PURMS engages an independent qualified actuary on an annual basis to determine the claim financing levels, liabilities for unpaid claims, and claims adjustment expenses for the Liability Pool and the Property Pool. A copy of these reports is provided to the Washington State Risk Manager and to the Washington State Auditor's Office. Audit reports for PURMS are available from the Washington State Auditor's Office (Report Nos. 1037933 issued in fiscal year 2025 and 1035465 issued in fiscal year 2024).

The pools are fully funded by its current and former members. Members that withdraw from PURMS are responsible for their share of contributions to the pools for any unresolved, unreported, and in-process claims for the period they were signatory to the SIA. Claims are filed by members with the Administrator, Pacific Underwriters, Seattle, WA, which serves by contract as the fund's Administrator and provides claims adjustment and loss prevention services.

Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

Liability Risk Pool

The liability pool has a \$1 million liability coverage limit per occurrence. In addition, the fund maintains \$35 million of excess general liability insurance over the \$1 million retention. A second layer of excess general liability insurance of \$65 million is also maintained over the first layer of \$35 million. The fund maintains \$35 million in directors and officers liability coverage with a retention level of \$500,000. The fund also maintains \$10 million in cyber security liability coverage with a retention level of \$1,000,000. The deductible is \$250.

The liability pool reserve balance is \$3.5 million. Liability assessments are levied at the beginning of each calendar year to replenish the reserves to the designated level and at any time during the year that the actual reserves drop to \$500,000 less than the designated level. The minimum reserve balance may be increased above \$3.5 million through member assessments to meet legal funding requirements based on annual actuarial reviews.

Property Risk Pool

The majority of the property in the property pool has a self-insured retention of \$250,000 per property loss. Certain classes of property have higher retention requirements up to \$750,000. In addition, the fund

purchases \$200 million of excess insurance over the \$250,000 (or higher) retention level. The deductible varies but for most classes of property it is \$250.

The designated property pool reserve balance is \$750,000. Property assessments are levied at the beginning of each calendar year to replenish the reserves to the designated level and at any time during the year that the actual reserves drop below \$500,000. The minimum reserve balance may be increased above \$750,000 through member assessments to meet legal funding requirements based on annual actuarial reviews.

Central Washington Public Utilities Unified Insurance Program Trust

The District is a member of the Central Washington Public Utilities Unified Insurance Program Trust (Trust). The Trust was organized October 1, 1982, pursuant to the provisions of RCW Title 54 and interlocal governmental agreements. The Trust's general objectives are to provide a central fund for the collection and disbursement of employee benefit premiums and claims involving medical, dental, vision, life, and long-term disability coverage. The Trust is administered by a Board of Trustees consisting of an appointed Trustee and Alternate Trustee from each of the seven member Districts. The Trustees are authorized to negotiate, obtain and maintain insurance policies, and authorize disbursements made from the Trust to Third-Party Administrators or other entities. Effective August 1, 2002, the Trust established a self-insured medical and vision plan. Effective January 1, 2009, the Trust established a self-insured dental plan. Both plans are approved by the State Risk Office. The audit reports for the Trust are available from the Washington State Auditor's Office (Report Nos. 1037732 issued in fiscal year 2025 and 1035313 issued in fiscal year 2024).

Unemployment Claims

The District pays unemployment claims on a reimbursement basis with claims administered by the Washington State Department of Employment Security.

Short-Term Disability Insurance

The District self-pays short-term disability benefits up to \$1,542 in 2025 and \$1,456 in 2024 per week or 70% of base salary, whichever is greater, through a continuation program. Effective July 1, 2023, the benefit is provided to employees with an inability to work due to a serious health condition following fulfillment of a one week waiting period per benefit year. The benefit year is defined as 52 weeks beginning the Sunday of the week the employee submits the initial application for leave. No waiting period is required when the medical leave is for the birth of a child. Prior to July 1, 2023, the benefit commenced from the 9th consecutive scheduled hour of inability to work due to a serious health condition and concluded when the employee either recovers and returns to work or completes the waiting period required for long-term disability insurance eligibility, whichever is earlier. Certification of illness or injury by a licensed, competent medical authority is required.

Paid Family Medical Leave Act

The District administers a voluntary plan for paid medical leave benefits for its employees. Voluntary plans are approved by the Employment Security Department and are available for employers who wish to opt out of the State of Washington's Paid Family & Medical Leave Program for either family leave benefit, medical leave benefit, or both, and instead administer their own internal plan. Employers with voluntary plans are required to offer benefits that are equal to or exceed the benefits offered by the State's program and must report employee hours, wages, premiums deducted from employee pay, and other information to the Employment Security Department on a quarterly basis.

The District elected to opt out of the medical leave portion of the program. The District's voluntary medical plan was initially approved in 2020 and reaffirmed in 2022. The plan is fully funded by the District and employee premiums do not apply.

Note 10 – Associated Organizations

Participation in Northwest Open Access Network, Inc. (NoaNet)

The District, along with nine other Washington State public entities, is a member of NoaNet, a Washington nonprofit mutual corporation. NoaNet was incorporated in February 2000 to provide a broadband communications backbone over public benefit fibers leased from BPA throughout Washington. The network began commercial operation in January 2001. The membership interest of NoaNet is evenly distributed across its current members.

As a member of NoaNet and as allowed by RCW 54.16, the District has guaranteed a portion of the 2020 NoaNet \$24.775 million bonds based upon an agreed share of 12.12% of the outstanding balance. See Note 12 for additional details. NoaNet reserves the right to assess members to cover deficits from operations. There have been no member assessments since 2011.

In 2023, the District's Commission authorized a payment agreement with NoaNet to provide financing totaling \$1 million. NoaNet has a pension liability that must be paid as it moves employees to the PERS retirement system. The payment is necessary for NoaNet to continue its operations and fulfill its purpose to provide cost-effective high-speed communications to its members under its agreement. The loan amount will be repaid in equal annual installments commencing May 1, 2024. The interest rate on each annual payment is equal to the 12-month average of the 30-day yield published for the Local Government Investment Pool on the Washington State Treasurer's website, calculated on April 1st preceding the annual payment. All outstanding principal and interest on the loan must be repaid by May 1, 2034. NoaNet made principal payments of \$83,630 and \$78,350 in 2025 and 2024 respectively.

NoaNet recorded an increase in net position of \$5,308,308 (unaudited) for 2025 and a increase of \$4,081,060 (audited) for 2024. In accordance with GAAP a proportionate share of these gains/losses has not been recorded by the District.

Financial statements for NoaNet may be obtained by writing to: Northwest Open Access Network, Chief Financial Officer, 113 Cherry St, PMB 99352, Seattle, WA 98104-2205.

Additionally, the District and NoaNet entered into a professional services contract (public-public partnership) in 2010 for the assistance in management, administration, sales, engineering, and operations of the District's broadband network. The District holds title to all improvements to the network and are reported on the Statement of Net Position in the electric plant in service balance, in Note 4 capital assets being depreciated general balance, and in Note 11, Telecommunication Services. There are no liabilities, deferred inflows, or deferred outflows reported in the financial statements. Payments made to NoaNet are variable based on the various services mentioned above as well as retail services provided.

NoaNet has the following rights and responsibilities in part:

- Day to day operation and overall management of the network; including, design and deployment, plant management, construction management, and customer billing,
- Authority to sign and execute service orders on behalf of the District as outlined in the contract,
- Form local partnerships and sales generation, and
- Comply with the District's Wholesale Customer Service Policy, Rates, Terms and Conditions of Service for Telecommunications.

Participation in National Information Solutions Cooperative (NISC)

NISC is an information technology company that develops and supports software and hardware solutions for Member-Owners who are primarily utility cooperatives and telecommunications companies across the nation. NISC is an industry leader providing advanced, integrated IT solutions for consumer and subscriber billing, accounting, and engineering & operations, as well as many other leading-edge IT solutions.

NISC was formed July 2000 as a consolidation of Central Area Data Processing Cooperative (CADP) and North Central Data Cooperative (NCDC). Both predecessor organizations were formed in the mid-1960s and had a history of serving energy and telecommunications cooperatives with information processing services and accounting and billing software. NISC has 970 energy and telecommunications across the U.S., American Samoa, Palau, and Canada.

The membership interest in NISC is stated at cost, plus patronage capital credits issued, less distributions received, which as of December 31, 2025, and 2024, was \$167,608 and \$161,976 respectively. This amount is reported in the Other Receivables balance on the Statement of Net Position.

Financial statements for NISC may be obtained by writing to: NISC, One Innovation Circle, Lake Saint Louis, MO 63367.

Note 11 - Telecommunications Services

The District has installed and continues to build out a fiber optic backbone system in its service area to provide wholesale telecommunication services and for internal use by the electric system. The District has connected its fiber optic system to NoaNet’s fiber optic communications system. The District regularly reviews its product offerings and makes adjustments as needed.

Broadband operations and capital activity for the years ended December 31, 2025 and 2024, follows:

Broadband	2025	2024
Operating Revenues		
Ethernet	\$1,517,554	\$1,573,921
TDM	36,000	36,000
Internet Transport Service	94,900	95,454
Fixed Wireless	6,568	9,413
Access Internet	610,947	585,674
Other Revenue	745,545	612,462
Total Operating Revenues	\$3,011,514	\$2,912,924
Operating Expenses		
General Expenses	\$1,057,907	\$1,019,539
Other Maintenance	82,650	134,533
<i>Subtotal before depreciation</i>	<i>1,140,557</i>	<i>1,154,072</i>
Depreciation	1,077,515	1,048,486
Total Operating Expenses	\$2,218,072	\$2,202,558
Nonoperating Expenses	587	-
Capital Investment (Annual)	\$1,188,478	\$907,145
Capital Investment (Cumulative)	\$30,826,668	\$29,638,190

The above amounts are included in summarized line items on the Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position.

Note 12 - Other Commitments and Contingent Liabilities

Energy Northwest - Nine Canyon Wind Project

The Nine Canyon Wind Energy Project is owned and operated by Energy Northwest. The District, along with nine other public utilities, is a participant in Phases I and III of the Project. Under its Power Purchase Agreement, the District is obligated to pay its percentage share of the annual debt service of each project Phase and the operation and maintenance costs of the project in return for its percentage share of project output, whether or not the project is operating or capable of operating. Under the agreement, the District is obligated to pay an amended percentage share effective May 2008 when Phase III achieved commercial operation. Under a step-up provision, the District could be required to pay up to a maximum of 125% of its percentage share in the event of default by another purchaser. The Agreement limits Energy Northwest’s total annual operation and maintenance cost to \$4 million prior to Phase III Commercial Operation and to \$7 million post Phase III Commercial Operation. These limits will change annually based on certain inflation indexes.

The agreement terminates July 1, 2030. The District’s applicable percentage share obligations are:

Allocation of Cost	District % Share	District % Share under Step-up Provision
Debt Service - Phase I	6.25%	7.81%
Debt Service - Phase III	18.63%	23.29%
O&M Costs - Prior to Phase III Commercial Operation	4.72%	5.90%
O&M Costs - Post Phase III Commercial Operation	9.39%	11.74%

Energy Independence Act (Initiative 937)

With the passage of Initiative 937 by Washington voters in November 2006, all electric utilities with more than 25,000 customers are required to purchase renewable energy in gradually increasing percentages of 3%, 9%, and 15% of retail load, and to establish and meet a minimum biennial energy conservation target. As of December 31, 2025 and 2024, the District had renewable energy contracts in place that satisfy the Initiative’s renewable target of 15%. Total incremental expenses for qualifying renewable resources plus the cost of renewable energy credits are limited to 4% of the annual retail revenue requirement.

In 2025, the Commission established the minimum Biennial Conservation Target for 2026–2027 at 1.10 aMW. In 2023, the Commission first established the minimum Biennial Conservation Target for 2024–2025 of 0.77 aMW. In April 2024, the Commission amended the Target to be 1.1 aMW. The District exceeded the target with 1.50 aMW. Conservation programs are open to all customers on a nondiscriminatory basis.

Climate Commitment Act

In 2021, the State signed into law the Climate Commitment Act (CCA) legislation that directed the State Department of Ecology (Ecology) to design and implement a cap-and-invest program. Effective January 1, 2023, the cap-and-invest program sets a limit, or cap, on overall carbon emissions in the State and requires covered entities to obtain allowances equal to their covered greenhouse gas emissions. The emissions cap will be reduced over time to ensure the State achieves its 2030, 2040, and 2050 emissions-reduction commitments, which means Ecology will issue fewer emissions allowances each year.

All applicable emitters with more than 10,000 metric tons of carbon dioxide equivalent (MT CO₂e) emissions per year are subject to the greenhouse gas reporting regulations and entities with more than 25,000 MT CO₂e of covered emissions are required to participate in the cap-and-invest program and to obtain allowances to cover their emissions. Allowances can be obtained through quarterly auctions hosted by Ecology or bought and sold on a secondary market. Electric utilities that are subject to CETA, such as the District, are eligible to receive no cost allowances to mitigate their compliance cost burden from the cap-and-invest program. Electric utilities can consign these allowances at auction or retire them for compliance. The District's allowance allocation amounts for the first compliance period from 2023 through 2026 are shown in the table below, per Ecology's December 2025 published schedule for allowances:

District's No Cost Allowance Schedule

<u>Year</u>	<u>Allocation</u>	<u>Status</u>
2023	120,731	Received
2024	120,362	Received
2025	84,459	Received
2026	85,538	Received

By November 1 of each year, starting November 1, 2024, the District must submit allowances equal to 30% of its prior year emissions. This compliance deadline requires allowances of the same year as the emissions being covered, or an earlier year. By November 1 of the year following the end of a four-year compliance period, starting November 1, 2027, the District must submit allowances to cover the remaining 70% of its total emissions for the entire four-year period. This compliance deadline is aggregate, meaning that emissions from all four years are considered as a group, and submitted allowances can be of any year in the current or previous compliance periods.

Repayment Agreement Relating to NoaNet Revenue Bonds (see Note 10)

In December 2020, NoaNet issued \$24.775 million in Telecommunications Network Revenue Bonds (2020 Bonds) to finance capital improvements and other expenses, repay loans and a line of credit, fund a reserve account, and pay bond issuance costs. The Bonds became due beginning in December 2021 through December 2030 with interest due semi-annually at rates ranging from 0.591% to 2.120%.

Members of NoaNet, at the time of issuance, entered into Repayment Agreements to guarantee the debt of NoaNet. Under the Repayment Agreement, each guarantor acknowledged and agreed that it is a guarantor of the payment of the principal and interest on the Bonds and was liable by assessment or otherwise to repay NoaNet for amounts due and owing with respect to such principal and interest up to each Member's agreed upon percentage interest. The District's guarantee was 12.12% of the outstanding bond balance. As of December 31, 2025, the outstanding bond balance was \$12.8 million.

To the extent NoaNet's gross revenue is insufficient to pay principal amounts when due, NoaNet shall bill each guarantor no less than 65 days in advance of each principal payment date for its percentage share. Each guarantor has 30 days to pay after receipt of the bill. In the event of a failure by any guarantor to pay such amounts when due, the guarantor shall be subject to all remedies as contained in NoaNet's bylaws. Each guarantor shall remain obligated to pay its respective share of principal and interest on the bonds, when due, whether or not it remains a member of NoaNet.

Public Utility District No. 1 of Benton County
Schedule of Proportionate Share of the Net Pension Liability

PERS Plan 1
As of June 30, 2025
Last 10 Fiscal Years

	2025	2024	2023	2022
Employer's proportion of the net pension liability	0.088975%	0.086638%	0.091556%	0.093018%
Employer's proportionate share of the net pension liability	\$1,049,012	\$1,539,417	\$2,089,978	\$2,589,963
Covered payroll	\$18,533,817	\$18,077,748	\$16,407,178	\$15,187,501
Employer's proportionate share of the net pension liability as a percentage of covered payroll	6%	9%	13%	17%
Plan fiduciary net position as a percentage of the total pension liability	89%	84%	80%	77%

Notes to Schedule:

There are no factors at year-end that significantly affect trends in the amounts reported above.

Schedule of Proportionate Share of the Net Pension Liability continued

PERS Plan 1
As of June 30, 2025
Last 10 Fiscal Years

2021	2020	2019	2018	2017	2016
0.097761%	0.095082%	0.098400%	0.102845%	0.108446%	0.111198%
\$1,193,891	\$3,356,908	\$3,783,829	\$4,593,093	\$5,145,847	\$5,971,856
\$15,018,615	\$14,453,981	\$13,806,690	\$13,682,851	\$13,503,725	\$13,093,469
8%	23%	27%	34%	38%	46%
89%	69%	67%	63%	61%	57%

Schedule of Proportionate Share of the Net Pension Liability

PERS Plan 2/3
As of June 30, 2025
Last 10 Fiscal Years

	2025	2024	2023	2022
Employer's proportion of the net pension liability (asset)	0.115199%	0.112355%	0.118116%	0.121341%
Employer's proportionate share of the net pension liability (asset)	(\$4,396,197)	(\$3,703,865)	(\$4,841,200)	(\$4,500,272)
Covered payroll	\$18,533,817	\$18,077,748	\$16,407,178	\$15,187,501
Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	(24%)	(21%)	(30%)	(30%)
Plan fiduciary net position as a percentage of the total pension liability	106%	105%	107%	107%

Notes to Schedule:

There are no factors at year-end that significantly affect trends in the amounts reported above.

Schedule of Proportionate Share of the Net Pension Liability continued

PERS Plan 2/3
As of June 30, 2025
Last 10 Fiscal Years

2021	2020	2019	2018	2017	2016
0.125568%	0.124135%	0.127033%	0.132333%	0.136394%	0.139973%
(\$12,508,593)	\$1,587,616	\$1,233,922	\$2,259,468	\$4,739,040	\$7,047,530
\$15,018,615	\$14,453,981	\$13,806,690	\$13,682,851	\$13,371,937	\$12,986,531
(83%)	11%	9%	17%	35%	54%
120%	97%	98%	96%	91%	86%

Schedule of Employer Contributions

PERS Plan 1
As of December 31, 2025
Last 10 Fiscal Years

	2025	2024	2023	2022
Statorily or contractually required contributions	\$238,630	\$497,654	\$587,183	\$591,754
Contributions in relation to the statorily or contractually required contributions	(238,630)	(497,654)	(587,183)	(591,754)
Contribution deficiency (excess)	-	-	-	-
Covered payroll	\$18,884,428	\$18,144,039	\$16,743,004	\$15,767,844
Contributions as a percentage of covered payroll	1%	3%	4%	4%

Notes to Schedule:

There are no factors at year-end that significantly affect trends in the amounts reported above.

Schedule of Employer Contributions continued

PERS Plan 1
As of December 31, 2025
Last 10 Fiscal Years

2021	2020	2019	2018	2017	2016
\$658,699	\$704,510	\$699,574	\$689,118	\$678,004	\$636,516
(658,699)	(704,510)	(699,574)	(689,118)	(678,004)	(636,516)
-	-	-	-	-	-
\$15,214,069	\$14,692,671	\$14,139,528	\$13,617,368	\$13,751,364	\$13,204,856
4%	5%	5%	5%	5%	5%

Schedule of Employer Contributions

PERS Plan 2/3
As of December 31, 2025
Last 10 Fiscal Years

	2025	2024	2023	2022
Statorily or contractually required contributions	\$1,107,694	\$1,153,962	\$1,100,696	\$1,002,836
Contributions in relation to the statorily or contractually required contributions	<u>(1,107,694)</u>	<u>(1,153,962)</u>	<u>(1,100,696)</u>	<u>(1,002,836)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$18,884,428	\$18,144,039	\$16,743,004	\$15,767,844
Contributions as a percentage of covered payroll	6%	6%	7%	6%

Notes to Schedule:

There are no factors at year-end that significantly affect trends in the amounts reported above.

Schedule of Employer Contributions continued

PERS Plan 2/3
As of December 31, 2025
Last 10 Fiscal Years

2021	2020	2019	2018	2017	2016
\$1,094,430	\$1,163,559	\$1,091,135	\$1,021,040	\$936,046	\$815,729
(1,094,430)	(1,163,559)	(1,091,135)	(1,021,040)	(936,046)	(815,729)
-	-	-	-	-	-
\$15,214,069	\$14,692,671	\$14,139,528	\$13,617,368	\$13,675,514	\$13,096,369
7%	8%	8%	7%	7%	6%

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the years ended December 31 (unaudited)

	2025	2024	2023	2022
OPERATING REVENUES				
Sales of Electric Energy - Retail	\$142,120,703	\$138,252,613	\$139,617,559	\$140,653,312
Secondary Market Sales	3,934,285	8,388,791	10,093,943	33,353,756
Transmission of Power for Others	171,487	198,665	1,225,919	1,600,411
Broadband Revenue	3,011,514	2,912,924	2,819,468	2,922,004
Other Revenue	1,937,608	2,157,070	1,885,188	1,693,674
<i>Total Operating Revenues</i>	<u>151,175,597</u>	<u>151,910,063</u>	<u>155,642,077</u>	<u>180,223,157</u>
OPERATING EXPENSES				
Purchased Power	71,571,750	75,747,889	82,113,188	106,002,959
Purchased Transmission & Ancillary Services	11,233,300	11,394,028	14,953,982	15,911,813
Conservation Program	(38,114)	328,244	257,919	394,324
Transmission Operations & Maintenance	66,642	118,671	65,763	45,372
Distribution Operations & Maintenance	14,276,295	13,297,226	11,872,285	11,435,999
Broadband Expense	1,140,557	1,154,072	1,218,830	1,289,313
Customer Accounting, Collection & Information	4,729,447	4,536,231	4,304,081	4,442,149
Administrative & General	9,273,187	8,746,792	8,264,674	7,692,669
Taxes	14,941,586	14,501,372	14,829,445	15,003,476
Depreciation	12,288,014	11,834,815	11,560,127	11,175,469
<i>Total Operating Expenses</i>	<u>139,482,664</u>	<u>141,659,340</u>	<u>149,440,294</u>	<u>173,393,543</u>
OPERATING INCOME/(LOSS)	11,692,933	10,250,723	6,201,783	6,829,614
NONOPERATING REVENUES & EXPENSES				
Interest & Other Nonoperating Income	2,659,085	5,796,188	2,567,927	702,336
Interest Expense & Other Nonoperating Expense	(3,632,433)	(5,844,086)	(2,749,490)	(2,827,041)
Debt Premium Amortization & Loss on Defeased Debt	520,766	536,247	133,808	402,824
<i>Total Nonoperating Revenues & Expenses</i>	<u>(452,582)</u>	<u>488,349</u>	<u>(47,755)</u>	<u>(1,721,881)</u>
INCOME/(LOSS) BEFORE CONTRIBUTIONS	11,240,351	10,739,072	6,154,028	5,107,733
CAPITAL CONTRIBUTIONS	3,721,027	2,190,936	3,177,535	3,225,724
CHANGE IN NET POSITION	14,961,378	12,930,008	9,331,563	8,333,457

NET POSITION

For the years ended December 31 (unaudited)

	2025	2024	2023	2022
Net Investment in Capital Assets	\$133,923,165	\$115,510,123	\$108,390,299	\$101,952,912
Restricted for Debt Service	-	-	-	108,200
Restricted for Net Pension	4,396,197	3,703,865	4,841,200	4,500,272
Unrestricted	63,150,864	67,294,860	60,347,341	57,685,893
Total Net Position	\$201,470,226	\$186,508,848	\$173,578,840	\$164,247,277

2021	2020	2019	2018	2017	2016
\$137,165,982	\$133,281,504	\$134,197,389	\$129,792,002	\$130,811,427	\$120,438,526
32,552,733	16,024,639	22,649,145	24,618,712	14,542,756	14,808,281
957,726	1,443,001	1,483,740	1,450,552	1,284,536	915,169
2,914,272	2,799,123	2,476,304	2,250,450	2,164,500	2,046,068
1,243,440	1,381,032	1,690,615	1,756,987	1,338,933	1,653,580
174,834,153	154,929,299	162,497,193	159,868,703	150,142,152	139,861,624
102,522,649	83,898,194	101,774,951	92,569,841	83,025,012	80,889,012
14,742,923	14,638,285	13,828,577	13,621,653	13,205,172	12,997,169
(116,933)	346,063	377,443	(20,404)	544,381	307,113
101,234	114,119	129,425	163,952	199,419	260,519
9,214,692	10,537,318	9,923,012	9,645,034	9,799,347	9,029,751
1,115,157	1,161,923	1,061,880	936,989	844,688	931,789
3,926,096	4,329,302	4,328,333	4,267,684	3,735,098	3,411,338
6,880,786	7,365,965	6,798,593	6,660,053	7,181,596	6,331,749
14,288,903	13,969,670	14,216,802	13,812,993	14,018,894	12,630,500
10,978,659	10,339,875	10,183,035	9,854,391	10,177,574	12,630,490
163,654,166	146,700,714	162,622,051	151,512,186	142,731,181	139,419,430
11,179,987	8,228,585	(124,858)	8,356,517	7,410,971	442,194
860,362	1,030,185	1,454,432	1,642,595	1,134,607	643,191
(2,929,065)	(2,633,566)	(2,484,359)	(2,832,268)	(2,910,007)	(2,664,442)
342,996	(125,928)	407,817	453,711	492,959	143,522
(1,725,707)	(1,729,309)	(622,110)	(735,962)	(1,282,441)	(1,877,729)
9,454,280	6,499,276	(746,968)	7,620,555	6,128,530	(1,435,535)
2,145,749	2,206,345	2,455,560	2,124,000	1,990,641	1,164,819
11,600,029	8,705,621	1,708,592	9,744,555	8,119,171	(\$270,716)
<hr/>					
<hr/>					
2021	2020	2019	2018	2017	2016
\$89,594,340	\$89,168,593	\$89,870,583	\$74,961,846	\$64,407,047	\$58,672,489
108,200	108,200	1,107,865	1,107,865	1,107,865	1,107,865
12,508,593	-	-	-	-	-
53,702,687	55,036,998	44,629,722	57,829,867	58,640,111	56,255,498
\$155,913,820	\$144,313,791	\$135,608,170	\$133,899,578	\$124,155,023	\$116,035,852

REVENUES AND CONSUMPTION BY CUSTOMER CLASS

For the years ended December 31 (unaudited)

	2025	2024	2023	2022
AVERAGE NUMBER OF CUSTOMERS				
Residential	49,034	48,263	47,789	47,216
General Service	6,457	6,363	6,266	6,187
Industrial	5	5	5	5
Irrigation	974	980	983	980
Miscellaneous	2,209	2,216	2,220	2,222
<i>Total</i>	58,679	57,827	57,263	56,610
RETAIL ELECTRIC SALES (IN THOUSANDS) ⁽¹⁾				
Residential	\$66,340	\$64,373	\$66,583	\$67,779
General Service	39,928	38,662	39,453	39,436
Industrial	3,581	3,493	3,436	3,467
Irrigation	25,174	25,024	24,528	23,083
Miscellaneous	679	661	664	686
<i>Total</i>	\$135,702	\$132,213	\$134,664	\$134,451
RETAIL ELECTRIC SALES IN MWh				
Residential	728,570	732,310	763,031	780,987
General Service	552,149	558,532	569,033	562,458
Industrial	64,463	64,445	63,252	64,835
Irrigation	426,421	447,192	436,799	391,794
Miscellaneous	6,319	6,343	6,326	6,309
<i>Total</i>	1,777,922	1,808,822	1,838,441	1,806,383
AVERAGE REVENUE PER kWh (CENTS) ⁽¹⁾				
Residential	9.11	8.79	8.73	8.68
General Service	7.23	6.92	6.93	7.01
Industrial	5.56	5.42	5.43	5.35
Irrigation	5.90	5.60	5.62	5.89
Miscellaneous	10.75	10.42	10.50	10.87
<i>Average - All Classes</i>	7.63	7.31	7.32	7.44

(1) Includes total retail revenue (per kWh charge, demand, and base charge); excludes city utility occupation tax, bad debt expense, and accrued unbilled revenue.

2021	2020	2019	2018	2017	2016
46,690	46,027	45,319	44,550	43,870	43,157
6,167	6,109	6,041	5,937	5,919	5,840
5	5	5	5	5	5
986	984	979	983	987	790
2,224	2,217	2,237	2,269	2,330	1,850
56,072	55,342	54,581	53,744	53,111	51,642
\$61,325	\$61,936	\$63,799	\$59,461	\$62,861	\$53,643
38,113	35,467	37,480	37,236	36,690	34,223
3,511	3,452	3,394	3,438	3,440	3,214
27,171	26,320	22,343	23,517	21,825	22,348
666	690	675	678	673	656
\$130,786	\$127,865	\$127,691	\$124,330	\$125,489	\$114,084
711,831	704,408	751,107	697,107	759,634	661,742
541,416	503,631	545,081	546,595	545,884	525,603
65,084	63,625	64,318	65,997	67,084	64,612
482,741	461,274	399,178	424,610	405,805	435,186
6,243	6,495	6,486	6,540	6,691	6,935
1,807,315	1,739,433	1,766,170	1,740,849	1,785,098	1,694,078
8.62	8.79	8.49	8.53	8.28	8.11
7.04	7.04	6.88	6.81	6.72	6.51
5.39	5.43	5.28	5.21	5.13	4.97
5.63	5.71	5.60	5.54	5.38	5.14
10.67	10.63	10.41	10.37	10.05	9.46
7.24	7.35	7.23	7.14	7.03	6.73

RETAIL RATES ⁽¹⁾

For the years ended December 31 (unaudited)

	2025	2024	2023	2022
Residential				
Daily System Charge ⁽²⁾	\$0.66	\$0.63	\$0.63	\$0.63
Energy Charge (cents/kWh)	7.22	6.88	6.88	7.39
Demand Charge ⁽³⁾ (\$/kW)	1.05	1.00	1.00	-
Small General Service				
Daily System Charge ⁽²⁾ (Single-Phase)	\$0.58	\$0.55	\$0.55	\$0.55
Daily System Charge ⁽²⁾ (Multi-Phase)	0.86	0.82	0.82	0.82
Energy Charge (cents/kWh)	6.22	5.92	6.30	6.63
Demand Charge ⁽³⁾ (\$/kW)	1.05	1.00	-	-
Medium General Service				
Daily System Charge ⁽²⁾ (All Phases)	\$1.73	\$1.65	\$1.65	\$1.65
Daily System Charge ⁽²⁾ (Single-Phase)	-	-	-	-
Daily System Charge ⁽²⁾ (Multi-Phase)	-	-	-	-
Energy Charge (cents/kWh)	5.60	5.33	5.48	5.77
Summer (Effective 2011-2019)	-	-	-	-
Winter (Effective 2011-2019)	-	-	-	-
Demand Charge	1.05	1.00	-	-
First 50 kW	1.05	1.00	-	-
Excess of 50 kW	9.80	9.33	9.33	9.82
Large General Service				
Daily System Charge ⁽²⁾ (Multi-Phase)	\$2.11	\$2.01	\$2.01	\$2.01
Energy Charge - Non Time of Use (cents/kWh)	4.92	4.69	4.71	4.71
Summer (Effective 2010-2019)	-	-	-	-
Winter (Effective 2010-2019)	-	-	-	-
Demand Charge	1.05	1.00	-	-
First 50 kW	1.05	1.00	-	-
Excess of 50 kW	8.56	8.15	8.15	8.15

(1) These rates represent the typical customer. Other monthly charges may apply.
Other rate schedules also in effect are small irrigation, large irrigation, industrial, and miscellaneous.

(2) The rate is per day and applied to the number of days in the billing period.

(3) During peak hours Monday through Friday 6 a.m. to 9 a.m. (only October to April) and 5 p.m. to 8 p.m. (all year) excluding certain holidays.

2021	2020	2019	2018	2017	2016
\$0.63	\$0.63	\$0.63	\$0.62	\$0.62	\$0.55
7.39	7.39	7.39	7.18	7.18	7.18
-	-	-	-	-	-
\$0.55	\$0.55	\$0.55	\$0.54	\$0.54	\$0.46
0.82	0.82	0.82	0.80	0.80	0.68
6.63	6.63	6.63	6.44	6.44	6.44
-	-	-	-	-	-
\$1.65	\$1.65	\$1.65	-	-	-
-	-	-	\$1.08	\$1.08	\$0.92
-	-	-	\$1.61	\$1.61	\$1.38
5.77	5.77	-	-	-	-
-	-	5.24	5.09	5.09	5.09
-	-	6.14	5.97	5.97	5.97
-	-	-	-	-	-
9.82	9.82	9.82	9.55	9.55	8.77
\$2.01	\$2.01	\$2.01	\$1.96	\$1.96	\$1.38
4.71	4.71	-	-	-	-
-	-	4.23	4.11	4.11	4.11
-	-	5.06	4.92	4.92	4.92
-	-	-	-	-	-
8.15	8.15	8.15	7.93	7.93	7.45

PRINCIPAL RATEPAYERS

For the years ended December 31 (unaudited)

2025

Ratepayer's Rate Class ⁽¹⁾	Rank	Retail Sales ⁽²⁾	Percentage of Total Retail Electric Sales	kWh	aMW	Percentage of Total kWh
Large Irrigation Customer 1	1	\$15,159,536	11.2%	250,734,637	28.8	14.1%
Large Irrigation Customer 2	2	5,126,509	3.8%	85,351,125	8.8	4.8%
Large Industrial Customer 1	3	3,591,267	2.6%	64,593,995	7.4	3.6%
Large Irrigation Customer 3	4	2,055,949	1.5%	35,402,255	4.7	2.0%
Large General Customer 1	5	1,993,556	1.5%	24,659,436	2.9	1.4%
Large General Customer 2	6	1,978,013	1.5%	26,384,589	3.0	1.5%
Large Irrigation Customer 4	7	1,719,052	1.3%	27,901,467	3.6	1.6%
Large General Customer 3	8	1,470,421	1.1%	21,334,708	2.3	1.2%
Electricity Intensive Load 1	9	1,249,143	0.9%	20,091,700	2.7	1.1%
Large Irrigation Customer 5	10	1,236,612	0.9%	21,806,690	2.0	1.2%
Large Irrigation Customer 6	-	-	-	-	-	-
Large Irrigation Customer 7	-	-	-	-	-	-
Large General Customer 4	-	-	-	-	-	-
		\$35,580,058	26.3%	578,260,602	66.2	32.5%
Total All Ratepayers		\$135,702,184		1,777,922,129		

(1) To preserve confidentiality, individual ratepayer names are not disclosed.

(2) Retail sales are before bad debt expense and unbilled revenue.

2016

Rank	Retail Sales⁽²⁾	kWh	aMW	Percentage of Total kWh
1	\$9,091,838	185,727,226	21.1	11.0%
2	3,618,578	73,520,821	8.4	4.3%
3	3,222,077	64,745,636	7.4	3.8%
-	-	-	-	-
8	1,667,615	24,760,643	2.8	1.5%
9	1,502,444	23,474,636	2.7	1.4%
5	1,614,932	33,768,798	3.8	2.0%
-	-	-	-	-
-	-	-	-	-
7	1,304,947	26,926,648	3.1	1.6%
4	2,187,966	44,732,801	5.1	2.6%
6	1,577,874	31,732,175	3.6	1.9%
10	1,091,867	18,496,741	2.1	1.1%
	\$26,880,138	527,886,125	60.1	31.2%
	\$114,083,919	1,694,077,877		

RATIOS OF OUTSTANDING DEBT

For the years ended December 31 (unaudited)

	2025	2024	2023	2022
Revenue Bonds	\$70,215,000	\$73,630,000	\$76,895,000	\$57,000,000
Unamortized Premium & Discount	6,124,819	6,642,731	7,175,930	5,327,160
Total Outstanding Revenue Debt	\$76,339,819	\$80,272,731	\$84,070,930	\$62,327,160
Total Revenue Debt to Operating Revenues	50%	53%	54%	35%
Total Revenue Debt to Total Assets	25%	28%	30%	23%
Total Revenue Debt per Ratepayer	\$1,301	\$1,388	\$1,468	\$1,101

DEBT MARGIN INFORMATION ⁽¹⁾

For the year ended December 31, 2025 (unaudited)

Net Revenues November 2023 - October 2024 ⁽²⁾	\$37,733,791
Maximum Future Annual Debt Service (2025)	\$6,332,545
Maximum Allowable Annual Debt Service per Bond Covenants ⁽²⁾	\$30,187,033
Allowable Additional Annual Debt Service	\$23,854,488

(1) As a proprietary fund, the District does not have a legal debt limitation. However, the District's bond resolutions establish restrictions on the issuance of additional debt based on a defined formula.

(2) The bond covenants state that new parity bonds may be issued if the amount of net revenue for any twelve consecutive months in the prior 24 month period divided by the maximum annual debt service in any future year is not less than 125%.

2021	2020	2019	2018	2017	2016
\$60,195,000	\$63,310,000	\$49,585,000	\$53,335,000	\$56,905,000	\$59,950,000
5,762,010	6,226,221	3,452,539	3,869,777	4,336,311	4,845,315
\$65,957,010	\$69,536,221	\$53,037,539	\$57,204,777	\$61,241,311	\$64,795,315
38%	45%	33%	41%	41%	46%
25%	28%	24%	25%	28%	30%
\$1,176	\$1,256	\$972	\$1,108	\$1,153	\$1,255

DEBT SERVICE COVERAGE

For the years ended December 31 (unaudited)

	2025	2024	2023	2022
DEBT SERVICE CALCULATION				
Change in Net Position	\$14,961,378	\$12,930,008	\$9,331,563	\$8,333,457
Adjustments to (from) Change in Net Position				
Depreciation	12,288,014	11,834,815	11,560,127	11,175,469
Prepaid Power ⁽¹⁾	1,017,144	1,017,144	1,017,144	1,017,144
Interest Expense	3,536,477	3,716,297	2,749,490	2,827,041
Debt Discount/Premium Amortization & Bond Issue Costs	(520,766)	(536,247)	(133,808)	(402,824)
GASB 68 Adjustment to pension expense noncash entry	(1,289,251)	(1,528,495)	(1,883,098)	(1,647,466)
REVENUE AVAILABLE FOR DEBT SERVICE	\$29,992,996	\$27,433,522	\$22,641,418	\$21,302,821
DEBT SERVICE ⁽²⁾	\$6,978,263	\$6,820,275	\$5,829,696	\$5,998,843
DEBT SERVICE COVERAGE RATIO	4.30	4.02	3.88	3.55

(1) White Creek Wind Project amortization and Bonneville Power Administration prepaid power

(2) The debt service annual amount does not include BABs subsidies as described in the noncash activities disclosure on the Statement of Cash Flows.

2021	2020	2019	2018	2017	2016
\$11,600,029	\$8,705,621	\$1,708,592	\$9,744,554	\$8,119,171	(\$270,716)
10,978,659	10,339,875	10,183,035	9,854,391	10,177,574	12,630,490
1,017,144	1,017,144	1,017,144	1,017,144	1,017,144	1,017,144
2,929,065	2,633,566	2,484,359	2,832,268	2,910,007	2,664,442
(342,996)	125,928	(407,817)	(453,711)	(492,959)	(143,522)
(3,711,285)	(1,393,009)	(1,292,772)	(1,371,215)	(593,733)	(308,366)
\$22,470,616	\$21,429,125	\$13,692,541	\$21,623,431	\$21,137,204	\$15,589,472
\$5,995,376	\$6,154,945	\$6,521,487	\$6,519,987	\$6,226,648	\$5,351,412
3.75	3.48	2.10	3.32	3.39	2.91

PRINCIPAL EMPLOYERS - TRI-CITIES METROPOLITAN STATISTICAL AREA

For the years ended December 31 (unaudited)

2025

Employer	Product/Service	Employees	Rank	Percentage of Total MSA Nonfarm Employment
Battelle/Pacific NW National Laboratory	Research & Development	3,830	1	2.9%
Kadlec Medical Center	Health Care	3,087	2	2.4%
Lamb Weston Inc.	Food Processing	2,806	3	2.2%
Hanford Tank Waste Ops & Closure (H2C)	Bio & Chemical Management	2,509	4	1.9%
Kennewick School District	Education	2,204	6	1.7%
Pasco School District	Education	2,083	5	1.6%
State of Washington	Government	1,959	7	1.5%
Hanford Mission Integration Solutions	Operations of Hanford Services	1,736	8	1.3%
Richland School District	Education	1,642	9	1.3%
Amazon.com Inc	E-commerce	1,466	10	1.1%
Bechtel National, Inc.	Engineering & Construction	-	-	-
Washington River Protection Solutions	Environmental Remediation	-	-	-
Mission Support Alliance, LLC	Support Services Hanford	-	-	-
CH2MHill Hanford Group Inc./CHG	Environmental Engineering	-	-	-
Total		23,322		17.9%

Source: Tri-Cities Area Journal of Business

2016

Employees	Rank	Percentage of Total MSA Nonfarm Employment
4,365	1	4.0%
3,304	2	3.0%
2,727	4	2.5%
-	-	-
2,130	5	2.0%
2,015	7	1.8%
-	-	-
-	-	-
1,500	9	1.4%
-	-	-
2,898	3	2.7%
2,077	6	1.9%
1,928	8	1.8%
1,400	10	1.3%
24,344		22.4%

DEMOGRAPHIC STATISTICS

For the years ended December 31 (unaudited)

	2025	2024	2023	2022
Population ⁽¹⁾				
Tri-Cities Metropolitan Statistical Area	322,875	320,150	316,600	312,050
Benton County	219,625	217,850	215,500	212,300
Kennewick	87,790	87,120	86,470	85,320
Prosser	6,650	6,610	6,445	6,195
Benton City	3,845	3,845	3,810	3,710
Total Personal Income - Benton County (000's) ⁽²⁾	N/A	\$13,080,579	\$12,260,859	\$11,587,408
Per Capita Income - Benton County ⁽²⁾	N/A	\$59,950	\$56,969	\$54,454
Unemployment Rate - Benton County ⁽³⁾	5.6%	5.2%	5.4%	5.6%
Building Permits Issued ⁽⁴⁾				
Kennewick	3,179	3,046	3,222	3,010
Benton County (Unincorporated)	817	754	890	911
Taxable Retail Sales - All of Benton County ⁽⁵⁾	N/A	\$6,049,956,940	\$5,951,828,099	\$5,766,343,266

(1) Source: Washington State Office of Financial Management

(2) Source: U.S. Bureau of Economic Analysis, Regional Data, GDP and Personal Income

(3) Source: December 2025 Unemployment Rates, Washington Employment Security Department

(4) Source: City of Kennewick and Benton County Building Departments

(5) Source: Washington State Department of Revenue

2021	2020	2019	2018	2017	2016
307,750	302,460	296,480	289,960	283,830	279,170
209,400	205,700	201,800	197,420	193,500	190,500
84,620	84,960	83,670	81,850	80,280	79,120
6,130	6,220	6,145	6,125	5,965	5,940
3,500	3,560	3,520	3,405	3,360	3,325
\$11,542,478	\$10,683,932	\$10,087,552	\$9,597,733	\$9,132,345	\$8,793,589
\$54,958	\$51,757	\$49,354	\$47,682	\$46,076	\$45,446
4.2%	6.4%	5.4%	5.8%	6.1%	7.0%
2,356	2,002	2,203	2,409	2,064	2,211
997	897	895	1,014	997	919
\$5,625,466,168	\$4,674,787,996	\$4,631,058,885	\$4,166,770,833	\$3,905,643,498	\$3,789,869,697

OPERATING INDICATORS

For the years ended December 31 (unaudited)

	2025	2024	2023	2022
Operating Expenses / Revenues	92.3%	93.3%	96.0%	96.2%
Total Electric Sales in MWh				
Retail Sales	1,777,922	1,808,822	1,838,441	1,806,384
Secondary Market Sales	44,580	75,320	116,433	378,189
Total MWh Sales	1,822,502	1,884,142	1,954,874	2,184,573
Average Annual kWh per Customer				
Residential	14,858	15,173	15,967	16,541
General Service	85,512	87,778	90,813	90,910
Industrial	12,892,600	12,889,000	12,650,400	12,967,032
Irrigation	437,804	456,318	444,353	399,790
Miscellaneous	2,861	2,862	2,850	2,839
Average Annual kWh per Customer - All Classes	30,299	31,280	32,105	31,909
Average Revenue per Customer				
Residential	\$1,353	\$1,334	\$1,393	\$1,436
General Service	6,184	6,076	6,296	6,374
Industrial	716,200	698,600	687,200	693,318
Irrigation	25,846	25,535	24,952	23,554
Miscellaneous	307	298	299	309
Average Revenue per Customer - All Classes	\$2,313	\$2,286	\$2,352	\$2,375
Additions to Electric Plant, excluding work-in-progress	\$40,547,166	\$23,477,012	\$19,002,988	\$18,655,109
Net Electric Utility Plant	\$214,062,455	\$195,801,234	\$175,139,366	\$164,304,731
Capitalized Payroll	\$3,732,314	\$3,660,131	\$3,046,520	\$2,832,390
Total Payroll Expense	\$19,139,462	\$18,643,880	\$16,969,343	\$16,221,789
Full Time Equivalent Employees ⁽¹⁾	150	152	153	148
Cooling Degree Days ⁽²⁾	1,434	1,305	1,473	1,387
Heating Degree Days ⁽²⁾	4,881	4,706	4,888	5,509
Annual Precipitation (inches) ⁽²⁾	8.45	7.38	6.02	7.33
Peak Load (MW's) ⁽³⁾	453	438	438	455

(1) Includes regular and temporary employees. In 2017, all years employee counts were reduced to account for shared employees billed to other governments.

(2) Source: degreedays.net, Station KPSC

Heating degree days are indicators of household energy consumption for space heating. When the average outdoor temperature is less than 65 degrees Fahrenheit, most buildings require heat to maintain a temperature of 70 degrees inside. Similarly, when the average outdoor temperature is 65 degrees or more, most buildings require air-conditioning to maintain a temperature of 70 degrees inside.

(3) Source: Bonneville Power Administration

2021	2020	2019	2018	2017	2016
93.6%	94.7%	100.1%	94.8%	95.1%	99.7%
1,807,315	1,739,433	1,766,171	1,740,849	1,785,098	1,694,078
417,390	505,800	421,597	558,160	609,721	576,289
2,224,705	2,245,233	2,187,768	2,299,009	2,394,819	2,270,367
15,246	15,304	16,574	15,648	17,316	15,333
87,792	82,441	90,230	92,066	92,226	90,004
13,016,760	12,725,056	12,863,616	13,199,344	13,416,822	12,922,400
489,596	468,775	407,741	431,954	411,150	550,578
2,807	2,929	2,900	2,882	2,872	3,749
32,232	31,431	32,359	32,392	33,611	32,804
\$1,313	\$1,346	\$1,408	\$1,335	\$1,433	\$1,243
6,180	5,806	6,204	6,272	6,199	5,860
702,245	690,423	678,881	687,644	687,927	642,800
27,556	26,747	22,822	23,924	22,112	28,274
299	311	302	299	289	355
\$2,332	\$2,310	\$2,339	\$2,313	\$2,363	\$2,209
\$20,094,992	\$18,228,378	\$18,484,322	\$14,307,247	\$14,248,483	\$12,707,389
\$155,543,984	\$149,049,385	\$142,948,756	\$132,197,835	\$125,666,747	\$123,470,148
\$3,050,077	\$2,849,452	\$2,851,731	\$2,456,252	\$2,435,631	\$3,213,042
\$15,581,177	\$15,065,567	\$14,566,651	\$14,008,828	\$13,864,893	\$13,630,457
148	148	150	149	152	153
1,548	1,209	1,112	1,221	1,347	1,099
4,521	4,576	5,655	4,668	5,618	4,392
5.34	4.07	9.31	6.43	8.60	7.66
490	437	407	419	426	425



COMMISSION AGENDA ACTION FORM

Meeting Date:	March 24, 2026	
Subject:	Financial Forecast	
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: <i>(Multiple boxes can be checked, if necessary)</i>	
<input type="checkbox"/> Consent Agenda	<input type="checkbox"/> Pass Motion	<input type="checkbox"/> Decision / Direction
<input checked="" type="checkbox"/> Business Agenda	<input type="checkbox"/> Pass Resolution	<input checked="" type="checkbox"/> Info Only
<input type="checkbox"/> Public Hearing	<input type="checkbox"/> Contract/Change Order	<input type="checkbox"/> Info Only/Possible Action
<input type="checkbox"/> Other Business	<input type="checkbox"/> Sign Letter / Document	<input type="checkbox"/> Presentation Included

Motion for Commission Consideration:

None

Background/Summary

Staff will present a financial forecast updated with the 2025 actual results, the 2026 approved budget, and year to date actuals through February. The District’s financial policies and the 2026 bond issuance draft schedule will also be reviewed with the Commission.

Recommendation

None

Fiscal Impact

None

Signature Certificate



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