Grant County
PUBLIC UTILITY DISTRICT

Powering Our Way of Life.

MEMORANDUM **July 28, 2026**

TO: John Mertlich, General Manager/CEO

VIA: Bonnie Overfield, Chief Financial Officer Bonnie Overfield

Jennifer Sager, Senior Manager Accounting

FROM: Jessica Aloysius, Financial Reporting Analyst

SUBJECT: Preliminary Unaudited May 2026 Financial Statements

Monthly Financial Summary — May 2026 (Preliminary, Unaudited) with comparison to May 2025.

Overall Financial Performance

May financial performance was slightly below prior year as revenue growth was offset by higher operating expenses and a decline in other income, resulting in a $8.1M decrease in net position compared to the prior year. Net position increased $31.3M from the prior month.

Operating Revenues

- Operating revenues increased $12.6M, driven primarily by an $30.1M increase in surplus wholesale sales from higher MWh volumes sold on the market and increased slice revenues. These gains were partially offset by $21.7M in reduced CCA revenue recognition and lower Estimated Unmet District Load auction proceeds resulting from lower market prices.

Operating Expenses

- Operating expenses increased $13.5M, across A&G and Distribution primarily related to labor and benefits, purchased services and IT related expenses.

Other Revenues (Expenses)

- Other revenues (expenses) decreased $6.3M, driven by unrealized investment losses offset by interest on revenue bonds.

Capital-Related Items

- Contributions in Aid of Construction (CIAC) decreased $0.9M, driven by lower CIAC billings and lines extension true ups, partially offset by higher CIAC receivables.

Assets

- Cash & investments increased $279.7M, largely due to increased investment of CCA proceeds of $169.2M from prior year, investment in TEA in Dec. 2025, and Large Power Solution application fees.
- Current assets (excluding cash & investments) increased $11.3M due to increased materials & supplies and prepayment on long-lead items.
- Utility plant, net increased $115.3M, reflecting continued investment in DB2, QTEP, turbine/generator replacements, and the new service center.

Liabilities / Deferred Inflows

- Current liabilities increased to $39.8M, primarily due to the transfer of 2010-M bond to current portion in anticipation of the upcoming bullet payment, in addition to increased labor costs in comparison to prior year, offset by the payoff of the 2020-R bond in 2025 and payment timing of trade payables.
- Noncurrent liabilities decreased $165.2M due to the payoff of the 2023-U bond, the transfer of 2010-M to current liabilities, and principal payments partially offset by increased unearned revenues.
- Deferred inflows increased $318.9M related to the timing of the implementation of Regulatory Accounting for CCA proceeds.

Change in Net Position

- Net position increased $181.5M in May, 4.3% less than the prior year increase.
- Revenues grew 2.4%, while expenses rose 11.7%, compressing net position growth versus prior year.

Notable Trends or Items to Watch

- CCA proceed revenue recognition as expenditures are incurred and the timing of regulatory accounting changes related to the restatement of financials at year-end.
- Ongoing capital expansion across major generation, transmission, and facilities projects.
- Changes to wholesale power revenue and expenses as energy operations implement changes and bring on new resources.

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY
UNAUDITED
STATEMENT OF NET POSITION
May 31, 2026 and 2025
(amounts in thousands)

	2026	2025	Difference
CURRENT ASSETS			
Cash	$ 1,573	$ 5,363	$ (3,790)
Investments	299,047	253,390	45,657
Restricted funds			
Cash	925	680	246
Investments	198,226	217,721	(19,495)
Accounts receivable, net	50,743	51,784	(1,041)
Materials and supplies	47,255	37,421	9,835
Due from power purchasers	0	39	(39)
Current lease receivable	516	514	1
Other current assets	6,777	4,189	2,588
Total current assets	605,062	571,101	33,960
NONCURRENT ASSETS			
Investments	68,532	38,287	30,245
Restricted funds			
Cash	330	64	266
Investments	656,830	430,300	226,530
Net pension assets	24,356	21,012	3,344
Long-term lease receivable	15,460	15,976	(516)
Conservation loans	69	97	(28)
Preliminary survey costs	3,726	3,726	-
Total other noncurrent assets	769,303	509,462	259,841
Utility plant, net	2,712,029	2,596,759	115,270
Total noncurrent assets	3,481,333	3,106,222	375,111
DEFERRED OUTFLOWS			
Net pension, change in proportion	30,822	28,732	2,090
Other Post Employment Benefits	3,874	2,115	1,759
Unamortized refunding loss	26,824	30,562	(3,737)
Total deferred outflows	61,520	61,409	112
TOTAL ASSETS AND DEFERRED OUTLFOWS OF RESOURCES	$ 4,147,914	$ 3,738,731	$ 409,183

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY
UNAUDITED
STATEMENT OF NET POSITION
May 31, 2026 and 2025
(amounts in thousands)

	2026	2025	Difference
CURRENT LIABILITIES			
Accounts payable			
Trade	$ 28,942	$ 36,243	$ (7,300)
Accrued salaries and compensated absences	22,198	15,984	6,215
Due to Power Purchasers	5,505	4,707	799
Accrued taxes	5,545	5,040	506
Customer deposits	9,231	7,636	1,595
Accrued bond interest	15,828	17,444	(1,616)
Unearned revenue	7,951	11,549	(3,598)
Habitat liability	23,633	23,707	(74)
Other current liabilities	95	121	(27)
Current portion of licensing obligations	2,953	2,877	76
Current portion of subscription liability	3,301	2,946	355
Current portion of long-term debt	119,774	76,869	42,905
Total current liabilities	244,957	205,123	39,834
NONCURRENT LIABILITIES			
Long-term debt, less current portion	804,068	979,460	(175,392)
Licensing obligations, less current portion	56,418	58,777	(2,359)
Net pension liability	5,827	8,738	(2,912)
Other post-employment benefits liability	11,051	9,499	1,553
Long-term unearned revenue	17,557	2,415	15,142
Long-term subscription liability, less current portion	2,155	2,780	(625)
Other long-term liabilities, less current portion	4,524	5,112	(588)
Total noncurrent liabilities	901,600	1,066,781	(165,181)
DEFERRED INFLOWS			
Regulatory Liability CCA	310,394	-	310,394
Net pension	6,628	8,162	(1,534)
Regulatory Liability - Pension	67,934	58,055	9,879
Other post employemnt benefits	3,445	2,645	800
Leases	14,936	15,608	(672)
Total deferred inflows	403,336	84,469	318,867
Total liabilities and deferred inflows of resources	1,549,893	1,356,373	193,520
NET POSITION			
Net investment in capital assets	1,852,733	1,558,484	294,249
Restricted	406,389	553,259	(146,869)
Unrestricted	338,899	270,616	68,283
Total net position	2,598,021	2,382,358	215,663
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 4,147,914	$ 3,738,731	$ 409,183

PUBLIC UTILITY DISTRICT NO. 2 OF GRANT COUNTY
UNAUDITED
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
For the Five Months Ended May 31, 2026 and 2025
(amounts in thousands)

	2026	2025	Difference
OPERATING REVENUES			
Sales to power purchasers at cost	$ 8,991	$ 7,412	$ 1,579
Retail energy sales			
Residential	24,806	25,781	(975)
Irrigation	3,672	3,392	280
Commercial and industrial	86,402	83,990	2,411
Governmental and others	687	748	(61)
Wholesale revenues, net	182,802	173,797	9,005
Fiber optic network sales	7,175	6,711	463
Other	1,065	1,177	(112)
Total operating revenues	315,600	303,009	12,591
OPERATING EXPENSES			
Generation	20,694	21,145	(450)
Transmission	2,601	2,134	466
Distribution	19,619	15,625	3,994
Customer and information services	2,639	2,640	(0)
Fiber optic network operations	1,725	1,245	479
Administrative and general	39,785	30,879	8,905
License compliance and related agreements	1,894	2,305	(411)
Depreciation and amortization	38,220	37,844	376
Taxes	9,800	9,679	121
Total operating expenses	136,978	123,497	13,480
NET OPERATING INCOME	178,622	179,511	(889)
OTHER REVENUES (EXPENSES)			
Interest and other income (expense)	10,823	18,462	(7,639)
Interest on revenue bonds and other, net	(15,885)	(17,509)	1,624
Federal rebates on revenue bonds	3,123	3,095	29
Amortization of debt discount/premium	942	1,277	(335)
Cost of debt issuance	-	(60)	60
Total other revenue (expenses)	(996)	5,266	(6,262)
CONTRIBUTIONS IN AID OF CONSTRUCTION	3,855	4,803	(948)
CHANGE IN NET POSITION	181,481	189,580	(8,098)
NET POSITION			
Beginning of year	2,416,540	2,192,778	223,761
End of year	$ 2,598,021	$ 2,382,358	$ 215,663

July Commission Financial Stmts Memo

Final Audit Report 2026-07-11

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M E M O R A N D U M **July 9, 2026**

TO: Bonnie Overfield, VP of Finance/CFO/Treasurer

VIA: Angelina Johnson, Senior Manager of Treasury and FP&A/Deputy Treasurer

Angelina Johnson

FROM: Mark Buchta, Senior Financial Analyst *mark buchta*
Amy Thompson, Manager of Treasury Operations
Vanessa Seldal, Grants Program Manager External Funding

SUBJECT: Q2 2026 Treasurer's Report

Purpose:

To communicate to the Commission the Q2 2026 Treasurer's Report.

Discussion/Summary:

Per Resolution Number 8712 – The Treasurer will provide a report periodically to the Commission that includes cash and investment activity/balances, authorized list of banking institutions and investment brokers (Exhibit A), list of authorized staff to perform banking activities (Exhibit B) and a summary of issued petty cash funds (Exhibit C).

Cash and Investment unaudited financials total for June 30, 2026: $1.3B

- Unrestricted cash and investments made up $386.8M of the portfolio with 59% of the unrestricted cash and investments being held in the Electric System Revenue.
- Restricted cash and investments made up $879.5M of the portfolio, comprised of construction funds, debt service reserve funds, debt service set-asides, Clean Renewable Energy Bonds (CREBs) sinking funds, habitat and Climate Commitment Act (CCA) funds.

Public Utility District No. 2 of Grant County
Quarterly Treasurer's Report
Historical Cash and Investments Summary | Liquidity and Restricted

As Of 06/30/2026
In Millions

Cash & Investments	12/31/2022	12/31/2023	12/31/2024	6/30/2025	12/31/2025	3/31/2026	6/30/2026
Liquidity-ES R&C Fund [1]	$ 98.2	$ 150.4	$ 145.1	$ 150.8	$ 170.4	$ 171.0	$ 171.9
Liquidity-ES Revenue Fund [2] [4]	28.6	172.0	208.3	269.8	317.8	259.2	335.2
Other DCOH Funds [3]	41.5	41.4	41.5	59.8	56.3	67.0	65.7
Liquidity and Other DCOH Funds	**$ 168.3**	**$ 363.8**	**$ 395.0**	**$ 480.3**	**$ 544.5**	**$ 497.2**	**$ 572.7**
Restricted-Construction Funds [4]	28.4	15.0	60.8	38.6	0.2	98.5	84.7
Restricted-DS Reserve Funds	57.0	57.6	49.1	46.3	47.5	47.8	48.0
Restricted-DS P&I Funds	70.9	73.3	81.5	112.9	80.5	31.8	61.0
Restricted-DS CREBs Sinking Funds [5]	104.1	117.5	130.3	138.0	144.7	147.0	149.3
Restricted-Habitat Funds	17.3	20.6	23.5	23.6	22.3	24.5	23.6
Restricted-CCA Funds [6]			92.1	143.6	288.5	313.8	326.9
All Restricted Funds	**$ 277.7**	**$ 283.9**	**$ 437.2**	**$ 503.0**	**$ 583.7**	**$ 663.4**	**$ 693.6**
Total	**$ 446.0**	**$ 647.7**	**$ 832.2**	**$ 983.4**	**$ 1,128.2**	**$ 1,160.7**	**$ 1,266.3**

[1] Electric System R&C Fund liquidity target = $145M + interest earnings
[2] Electric System Revenue Fund minimum balance = $5M. Excess funds above liquidity target utilized for annual planning of equity financing of PRP capital (Junior Lien Bonds, see Note 4).
[3] Other funds used in Days Cash On Hand metric include PRP Revenue, PRP Supplemental R&C, Service System, and Customer Deposit Fund
[4] Construction funds comprised of internally pledged funds for capital and issued bonds
[5] CREB sinking fund payments required by bond covenants to pay bullet maturities in years 2027 ($90M), 2032 ($42.4 M), and 2040 ($90M). Monthly deposits to sinking fund made, recalibrated every 6 months.
[6] CCA funds are Commission restricted .

Investment portfolio as of June 30, 2026, at a market value of $1.2B ($1.2B in securities with accrued interest owed to the District of $9.5M).

Policy Limits and Targets: The District is currently within all Policy Limits and Targets in the investment portfolio. The District does not currently hold any Commercial Paper as the rates available have been below what can be obtained in other high rated and approved alternatives.

Security Type	Book Value ($ in Millions)		Duration	Yield	Portfolio Allocation	Policy Max	Target Range	In Compliance
Municipal Bonds	$	288.0	3.59 Yr	3.97%	24%	50%	20-40%	YES
WA State LGIP	$	91.6	0 Yr	3.69%	7%	100%	Varies	YES
Agency	$	301.5	1.05 Yr	3.69%	25%	50%	5-25%	YES
Corporate Bond	$	168.7	1.82 Yr	4.03%	14%	25%	5-15%	YES
US Treasury	$	267.7	0.86 Yr	3.61%	22%	100%	10-35%	YES
Supranational	$	86.9	1.38 Yr	3.88%	7%	50%	5-20%	YES
Commercial Paper	$	-		0.00%	0%	25%	0-10%	YES
Cash (Bank)	$	20.4		-	2%	n/a	< $3M avg	YES
	$	1,224.7	1.70 Yr	3.79%	100%			

Figure 1 Difference in Cash and Investment Table and Security Type is Due to TEA Investment

The District monitors performance of the cash and investment portfolio with policy limits and strategic targets. The investment policy is reviewed annually per Resolution 8745. The Investment Oversight Committee (IOC) meets monthly and monitors status and compliance. There are no compliance issues or exceptions in place.

Items of note relative to June 30, 2026, Portfolio Balances and Diversification:

- The Washington State Local Government Investment Pool (LGIP) allocation was $91.6M; this balance is high due to preparation for the July 1 debt service payment.
- Cash was higher than the average balance high due to a large deposit from the Washington State Department of Ecology (CCA funds) deposited on June 30, 2026.

Upcoming items of note:

- Electric System capital planned budget of $257.9M to be funded by revenue in 2026.
- The CREBs series issued in 2010 has a maturity payment of $90.0M due on January 1, 2027; this has been fully set aside in preparation of the payment.
- Forecasted debt does not show any Electric System external issuances for 2026-2030.
- The Forecast team is evaluating PRP external debt issuances for 2027-2031, currently identifying four issuances (2027, 2028, 2029, and 2031) as of the June 2026 forecast.

CCA Funds

- The last deposit of $16.1M was received on June 30, 2026, bringing the balance to $326.9M.
- CCA funds used year to date: $46.2M.
    - TEA Membership: $40.3M
    - Power Purchase Agreements: $5.9M

External Funding Q2 Activity

Active Solicitations:

Name of Opportunity	Funding Source	Submitted	Capital Project	Requested Amount
Charge Where You Are (VW Settlement)	State Grant: Ecology	July 6th	Ephrata Service Center (10 fleet, behind the fence)	$100K

Year to Date Awarded Applications or Agreements:

Name of Opportunity	Funding Source	Capital Project	Awarded
Charge Where You Are (VW Settlement)	State Ecology	Ephrata Service Center (10 public plugs)	$100K
WA EV Charging Program (WAEVCP2)	State Commerce	EV Charging Infrastructure (12 fleet/workplace public)	$150K
Lawyers for Good Government (L4GG)	State CCA funds	Turbine Generator Upgrades (Legal & Accounting support for Tax Credit analysis at no cost to Grant PUD)	In kind support for ~ 1 year

Exhibits

Exhibit A

LIST	
Approved by: Angelina Johnson, Senior Manager of Treasury/Financial Planning	

TY000007B-LST – Treasury Authorized Investment Brokers & Banking Financial Institutions

List	FINRA Standings Update	Description
Broker	06/30/2026	FTN Financial Securities Corp
Broker	06/30/2026	ICBC Financial Services, LLC
Broker	06/30/2026	KeyBanc and Capital Markets
Broker	06/30/2026	Mischler Financial Group, Inc
Broker	06/30/2026	Oppenheimer & Co, Inc
Broker	06/30/2026	Piper Sandler & Co
Broker	06/30/2026	Stifel, Nicholaus & Co
Broker	06/30/2026	UBS Financial Services
Broker	06/30/2026	Wells Fargo Securities, LLC
Broker	06/30/2026	Mesirow Fin
Broker	06/30/2026	Hilltop Securities
Broker	06/30/2026	Great Pacific Sec
Broker	06/30/2026	Stonex
Banking Institutions		Bank of America
Banking Institutions		J.P. Morgan Chase
Banking Institutions		US Bank of Washington
Custody Safekeeping		Principal Financial Group

Exhibit B

Implement on: 06/22/2026	Version: 12 Supersedes: 11	See Also: Commission Resolution 8712 Investment Policy
LIST		
Approved by: Angelina Johnson, Senior Manager of Treasury/Financial Planning		

TY000007A-LST – Treasury Authorized Personnel for Payment of Funds and Procurement of Investments

List	Description
Payment	Bonnie Overfield, Chief Financial Officer
Payment	Angelina Johnson, Senior Manager of Treasury/Financial Planning
Payment	Tina Main, Financial Analyst
Payment	Amy Thompson, Manager of Treasury Operations
Payment	Cesar Castro Leon, Financial Analyst
Payment	Harris Turner, Financial Analyst
Payment	Angie Albertson, Financial Analyst
Investments	Bonnie Overfield, Chief Financial Officer
Investments	Angelina Johnson, Senior Manager of Treasury/Financial Planning
Investments	Mark Buchta, Senior Financial Analyst
Investments	Amy Thompson, Manager of Treasury Operations
Investments	Harris Turner, Financial Analyst

Exhibit C

Implement on: 06/15/2020 Revised: 6/15/2026	Version: 13 Supersedes: 12	See Also:
LIST		
Approved by: Sr. Manager of Treasury		

FIN-CM-LST-035 – Treasury Authorized Imprest Accounts

- Funds > $2,500 held in a checking account per resolution
- Total list shall not exceed $60,000

Last Updated on 06/15/2026

List	Description			
Amount	Fund	Bank/Acct	Custodian	Alt. Custodian
$5,000	Power Production – Advance Travel Imprest	JPMorgan Chase: #8352	Tina Main Cesar Castro Leon Amy Thompson	Angelina Johnson
$400	MLLO Cash Drawer 1		Monica Anaya	
$400	MLLO Cash Drawer 2		Monica Anaya	
$400	MLLO Cash Drawer 3		Monica Anaya	
$400	MLLO Cash Drawer 4		Monica Anaya	
$400	Ephrata Cash Drawers 1		Monica Anaya	
$400	Ephrata Cash Drawer 2		Monica Anaya	
$400	Quincy Cash Drawer 1		Monica Anaya	
$400	Quincy Cash Drawer 2		Monica Anaya	
$400	Royal City Cash Drawer 1		Monica Anaya	
$400	Royal City Cash Drawer 2		Monica Anaya	
$9,000	**Aggregate Total**			

Microsoft Word - 2026 Q2 Treasurer's Report

Final Audit Report 2026-07-10

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