



**Board of Directors Regular Meeting
May 21, 2026, 2:00 p.m.**

**City of Industry
City Hall Council Chambers
15625 Mayor Dave Way, Industry, CA. 91744**

Members of the public can observe the livestream of the meeting via Zoom by clicking:

<https://us02web.zoom.us/j/82245391862>

or telephonically by dialing:

1(669) 900-9128

Webinar ID: 822 4539 1862

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom and will be available by computer or telephone audio as indicated above. Because this is an in-person meeting and the virtual component is not required, but rather is offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

All documents available for public review are on file with the City of Industry City Clerk, located at the 15625 Mayor Dave Way, City of Industry, CA. 91744.

Members of the public can provide public comments in writing or orally in person as follows:

Written Comments: If you are unable to participate in person and you wish to make a comment, you may submit written comments by 9:00am on the day of the meeting via email to: Secretary@FPH2.org. All written comments will be posted online and become part of the meeting record. Public comments received in writing will not be read aloud at the meeting.

Oral Comments: Members of the public can address the Board in person on items on the agenda at the time the item is being addressed or during Public Comments for topics that are not listed on the agenda. **Speakers are limited to three (3) minutes each unless a different time limit is announced.** In conformance with the Brown Act, no Board action can occur on items presented during Public Comment.

To address the Board regarding an item on the agenda, please fill out a speaker card and submit it to the Board Secretary **before** the Board Chair announces the item.

If you desire to speak during Public Comment, please fill out a speaker card and submit it to the Board Secretary **prior** to the beginning of the Public Comment section of the agenda. When you are called to speak, please come forward to the podium and state your name.

CALL TO ORDER

ROLL CALL

FLAG SALUTE

ACTION ITEMS

Prior to action of the FPH₂ Board, any member of the public will have the opportunity to address the FPH₂ Board on any item listed on the agenda.

PRESENTATION

Consent Calendar

Item 1: Approve Minutes of March 19, 2026, Special Meeting

RECOMMENDATION

Approve the Minutes of March 19, 2026, Special Board Meeting.

Item 2: Receive and File Treasurer’s Report for Period Ended April 30, 2026

RECOMMENDATION

Receive and File Treasurer’s Report for period ended April 30, 2026.

Item 3: Consider Adoption of Resolution Authorizing the Continuation of a Section 125 Premium Only Plan for Employees

RECOMMENDATION

Adopt Resolution authorizing the continuation of a Section 125 Premium Only Plan for Employees.

New Business

Item 4: Review and Provide Input into the Draft Fiscal Year 2026/27 First Public Hydrogen Authority Budget

RECOMMENDATION

Review and provide input into the Draft Fiscal Year 2026/27 First Public Hydrogen Authority Budget and direct staff to return with the Proposed Fiscal Year 2026/27 Budget for adoption on June 18, 2026.

Item 5: Receive and File – Second Aggregated Hydrogen Procurement Initiative Focused on Renewable and Green Hydrogen

RECOMMENDATION

Receive and file an update regarding the First Public Hydrogen Authority’s second aggregation for hydrogen supply.

Item 6: Chief Executive Officer Update and Board Member Questions Regarding Procurement, Marketing and Outreach, Transportation Services, Safety Protocols and General Administrative Topics

RECOMMENDATION

Receive Chief Executive Officer updates on Procurement, Marketing and Outreach, Transportation Services, Safety Protocols and General Administrative Topics

Item 7: General Counsel Update and Questions Regarding First Public Hydrogen Authority Matters

RECOMMENDATION

Receive update from General Counsel on First Public Hydrogen Authority Matters.

Item 8: Board Discussion Regarding First Public Hydrogen Authority Matters.

- a. Procurement and Contracting Regarding the Acquisition, Sale, Equipment, Hedging, and/or Transportation of Hydrogen Products.**
- b. Establishing, Promoting, and Expanding Policies and/or Programs to Support and Expand Hydrogen Projects and Solutions.**

PUBLIC COMMENT

If you desire to speak during Public Comment, please fill out a speaker card and submit it to the Board Secretary **prior** to the beginning of the Public Comment section of the agenda. When you are called to speak, please come forward to the podium and state your name.

BOARD MEMBER QUESTIONS/COMMENTS AND REPORTS ON FPH2 RELATED TRAVEL

BOARD REQUESTS FOR FUTURE AGENDA ITEMS

NEXT MEETING: Regular Board Meeting June 18, 2026, 2:00 p.m.

If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act (“ADA”), please contact Secretary@FPH2.org prior to the meeting for assistance.

**First Public Hydrogen Authority
Board of Directors Special Meeting Minutes
March 19, 2026, 2:00 p.m.
City of Montebello, Council Chambers
1600 W. Beverly Blvd, Montebello, CA. 90640**

CALL TO ORDER: The regular meeting of the First Public Hydrogen Authority (FPH2) was called to order by Chair Parris at 2:12 p.m.

ROLL CALL: Board Members Present: Medrano, Peacock, Vasquez, Vice Chair Ruggles, Chair Parris.

FLAG SALUTE: Jason Caudle led the flag salute.

Presentation

None.

Consent Calendar

Item 1: Approve Minutes of February 19, 2026, Special Meeting

RECOMMENDATION

Approve the Minutes of February 19, 2026, Special Board Meeting.

Item 2: **Receive and File Treasurer’s Report for Period Ended February 28, 2026**

RECOMMENDATION

Receive and File Treasurer’s Report for period ended February 28, 2026.

Item 3: **Consider Adoption of Resolution Ratifying Termination of Lease, Setting New Administrative Office and Confirming Office of Record**

RECOMMENDATION

Adopt Resolution ratifying termination of lease, setting new administrative office and confirmation office of record.

Motion by Board Member Vasquez, second by Board Member Medrano, to approve the Consent Calendar.

Motion approved unanimously.

New Business

Item 6: Consider Adoption of Resolution Granting Certain Contracting Administrative Authorities to the Chief Executive Officer

RECOMMENDATION

Adopt Resolution Granting Certain Contracting Administrative Authorities to the Chief Executive Officer as presented, and authorizing the execution of all necessary documents related to and authorized herein, subject to General Counsel approval.

Chief Executive Officer Jason Caudle provided the staff report.

Board Member comments: Chair questions regarding board briefings regarding contracts.

Motion by Board Member Hertzberg, second by Board Member Board Member Medrano, to approve the recommendation.

Motion approved unanimously.

Item 4: Chief Executive Officer Update on Procurement, Marketing and Outreach, Transportation Services Safety Protocols and General Administrative Topics

RECOMMENDATION

Receive updates from the Chief Executive Officer on Procurement, Marketing and Outreach, Transportation Services, Safety Protocols and General Administrative Topics.

Chief Executive Officer Jason Caudle provided an update on Commercialization activities; efforts to advance membership – looking at not only transit but also speaking to agencies regarding stationary power opportunities; opportunities for agencies with land for solar/hydrogen projects off grid; outreach regarding data centers; updated on legislative activities, HVIP funding opportunities commercial and public; Senator Archuleta – hydrogen champion, looking for budget; staff is monitoring power projects; marketing & communications update – 1,000 LinkedIn followers, 220,000 impressions, 1,500 post reactions.

Board Member Peacock asked whether counties could be FPH2 members. CEO Caudle responded that counties could be members. General Counsel Burns provided addition information regarding membership options for other types of special districts, such as Municipal Sanitation Districts, becoming members.

Item 8: General Counsel Update on FPH2 Matters

RECOMMENDATION

Receive update General Counsel on FPH2 Matters.

General Counsel Burns advised Form 700s are due by April 1, 2026.

RECESS TO CLOSED SESSION – 2:27 p.m.

Conference With Real Property Negotiators
Pursuant to Government Code Section 54956.8:
PROPERTY APN: 3378-002-003
FPH2 Negotiators: Jason Caudle and Allison Burns
Negotiating Parties: Bolthouse Land Co.

RECONVENE TO OPEN SESSION – 2:59 p.m.

GENERAL COUNSEL ANNOUNCEMENT

General Counsel Burns announced that direction was given to staff, but no action was taken to be disclosed.

PUBLIC COMMENT

None

BOARD MEMBER QUESTIONS/COMMENTS AND REPORTS ON FPH2 RELATED TRAVEL.

None

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS.

Chair Parris adjourned the meeting at 3:04 p.m.

NEXT MEETING: Regular Board Meeting April 16, 2026.

Barbara Boswell
Treasurer
Approved:



STAFF REPORT

5/21/26
JC

Date: May 21, 2026

To: Chair Parris and Authority Members

From: Barbara Boswell, Treasurer

Item 2: **Receive and File Treasurer’s Report for Period Ended April 30, 2026**

Recommendation:

Receive and file Treasurer’s Report for period ended April 30, 2026.

Fiscal Impact:

There is no fiscal impact by this action.

Background:

This Treasurer’s Report provides the Board with the following unaudited financial information for the period ended April 30, 2026:

- Balance Sheet
- Statement of Revenues, Expenses and Changes in Net Position
- Budget to Actuals Comparison
- List of Payments Issued
- Status of City of Lancaster Promissory Note
- Open Purchase Orders
- Sole Source Agreements

**MONTHLY TREASURER'S REPORT
EXECUTIVE SUMMARY
As of April 30, 2026**

I am happy to present the Monthly Treasurer's report as of April 30, 2026, which includes the following unaudited reports:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Budget to Actuals Comparison
- List of Payments Issued
- Open Purchase Orders
- Sole Source Agreements Executed
- Status of City of Lancaster Promissory Note

FINANCIAL OVERVIEW

As of April 30, 2026, First Public Hydrogen Authority (FPH2) assets totaled \$867,564 with \$5,955,641 in total liabilities for a net position of (\$5,088,077).

Through April 30, 2026, FPH2 expended \$3,245,616, representing 98% of amount budgeted for that same period and earned \$264,030 in revenue.

FPH2 start-up funding is through a Promissory Note from City of Lancaster. The total approved Note is \$6,600,000 with \$1,000,000 currently available. Interest accrues monthly, with a current interest rate of 3.811% and total interest expense of \$182,704.40.

Detailed financial information is presented in the following pages.

Please reach out to me at your convenience if you have questions or would like additional information.

Barbara Boswell
Treasurer

STATEMENT OF NET POSITION

Unaudited

As of April 30, 2026

ASSETS

Cash	
Cash & Investments – River City Bank	\$696,955
Lockbox Account – River City Bank	<u>100,000</u>
Total Cash	<u>\$796,955</u>
Other Assets	
Fixed Assets	\$ 70,509
Prepaid Expenses	<u>100</u>
Total Other Assets	<u>\$ 70,609</u>
TOTAL ASSETS	<u>\$867,564</u>

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 86,416
Credit Card Payable	0
Employee Benefits Payable	<u>52</u>
Total Current Liabilities	<u>\$ 86,468</u>
Noncurrent Liabilities	
Due to City of Lancaster	<u>\$5,782,704</u>
Total Noncurrent Liabilities	<u>\$5,869,173</u>
TOTAL LIABILITIES	<u>\$5,955,641</u>
NET POSITION	<u>(\$5,088,077)</u>

FIRST PUBLIC HYDROGEN AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Unaudited

Period Ended April 30, 2026

OPERATING REVENUES

Consulting Services Income	\$ 250,000
Interest Income	<u>14,030</u>
TOTAL OPERATING REVENUES	<u>\$ 264,030</u>

OPERATING EXPENSES

Staff Salaries & Benefits	\$ 1,160,825
Board Stipends	100,800
Operating Materials & Supplies	4,945
Meeting Expenses	3,993
IT Software/Subscriptions	42,199
Professional/Technical Services	1,207,056
Legal Services	440,921
Sponsorships	19,267
Marketing & Outreach	9,025
Dues & Memberships	30,730
Meetings & Conference Registration	3,278
Travel/Mileage Reimbursement	32,244
Insurance	22,699
Utilities	10,948
Building Rent	19,900
Interest Expense	<u>136,786</u>
TOTAL OPERATING EXPENSES	<u>\$3,245,616</u>

OPERATING INCOME (LOSS) **(\$2,981,586)**

**FIRST PUBLIC HYDROGEN AUTHORITY
BUDGET TO ACTUALS COMPARISON**

Unaudited

Period Ended April 30, 2026

	BUDGET	ACTUALS	AVAILABLE BUDGET \$	AVAILABLE BUDGET %
OPERATING REVENUE	<u>\$0.00</u>	<u>\$264,030</u>		
OPERATING EXPENSES				
Staff Salaries & Benefits	\$ 1,279,500	\$ 1,160,825	\$118,675	9.28%
Board Stipends	111,667	100,800	10,867	9.73%
Materials & Supplies	91,667	4,945	86,722	94.61%
Meeting Expenses	41,667	3,993	37,674	90.42%
IT Software/Subscriptions	62,500	42,199	20,301	32.48%
Professional/Technical	1,250,000	1,207,056	42,944	3.44%
Legal Services	216,667	440,921	(224,254)	(103.50%)
Sponsorships	83,333	19,267	64,066	76.88%
Marketing & Outreach	66,667	9,025	57,641	86.46%
Dues & Memberships	18,333	30,730	(12,397)	(67.62%)
Meetings & Conferences	12,500	3,278	9,222	73.77%
Travel/Mileage	91,667	32,244	59,423	64.83%
Insurance	46,667	22,699	23,968	51.36%
Utilities	45,833	10,948	34,885	76.11%
Building Rent	20,000	19,900	100	0.50%
Interest Exp	83,333	136,786	(53,453)	(64.14%)
Furniture & Fixtures	<u>12,875</u>	<u>0</u>	<u>10,300</u>	<u>100.00%</u>
TOTAL OPERATING EXPENSES	<u>\$3,303,708</u>	<u>3,245,616</u>	<u>58,093</u>	<u>1.76%</u>
CHANGE IN NET POSITION	<u>(\$3,303,708)</u>	<u>(\$2,981,586)</u>	<u>\$322,122</u>	<u>9.75%</u>

**FIRST PUBLIC HYDROGEN AUTHORITY
LIST OF PAYMENTS ISSUED
MARCH 2026**

Payment Date	Vendor	Invoice Number	Description	Amount
3/2/26	State Compensation Insurance Fund	1003026679	Insurance Premium	\$ 457.83
3/3/26	Humana Insurance Co.	072985988	Insurance Premium	\$ 267.03
3/6/26	American Institute of Chemical Engineers	1005911616	2026 Membership	\$ 15,000.00
3/6/26	City of Lancaster	3/1/26	Donation	\$ 1,600.00
3/6/26	CivicPlus LLC	364148	Subscription 5/26 - 5/27	\$ 7,547.40
3/6/26	Ernesto Medrano	3/1/26	Board Stipend	\$ 1,600.00
3/6/26	Jacob Brouwer	3/1/26	Board Stipend	\$ 1,600.00
3/6/26	Jared Anderson	0013	Board Stipend	\$ 525.00
3/6/26	KP Public Affairs	7014728	Lobbyist Svcs	\$ 10,000.00
3/6/26	Newell Wayne Ruggles	3/1/26	Board Stipend	\$ 1,600.00
3/6/26	Robert M. Hertzberg	3/1/26	Board Stipend	\$ 1,600.00
3/6/26	SoCalGas	3/3/26	Utilities	\$ 31.22
3/6/26	Tanya Peacock	3/1/26	Board Stipend	\$ 1,600.00
3/6/26	The Bayshore Consulting Group, Inc	1535	Professional Svcs	\$ 14,006.74
3/6/26	Tripepi, Smith & Associates, Inc.	16689	Marketing Svcs	\$ 2,137.50
3/6/26	Vasquez Impact Solutions LLC	3/1/26	Board Stipend	\$ 1,600.00
3/6/26	Waste Management	6184408-2508-0	Utilities	\$ 501.25
3/6/26	Willson Consulting	147	Professional Svcs	\$ 12,687.50
3/13/26	Infinity Technologies	5118	IT Svcs	\$ 1,188.00
3/13/26	LA County Waterworks	7534747	Utilities	\$ 315.99
3/13/26	LA County Waterworks	7534748	Utilities	\$ 1,074.36
3/13/26	SoCalGas	3/10/26	Utilities	\$ 39.06
3/13/26	Stradling Yocca Carlson Rauth LLP	Multiple	Legal Svcs	\$ 44,979.50
3/13/26	The Winter Co.	16581-000328	Administrative Support	\$ 900.00
3/18/26	Colonial Life	6.31473E+13	Insurance Premium	\$ 211.79
3/20/26	Jared Anderson	0014	Professional Svcs	\$ 525.00
3/20/26	Shuster Advisory Group LLC	10462	Professional Svcs	\$ 1,000.00
3/27/26	Ashley Wegner	3/23/26	Mileage	\$ 4.36
3/27/26	Braun Blaising & Wynne P C	23201	Legal Svcs	\$ 1,923.00
3/27/26	Pasadena Consulting Group LLC	PCG-FPHA-2026-1	Form 700 Efile System	\$ 1,900.00
3/27/26	The Winter Co.	16581-000330	Administrative Support	\$ 900.00
TOTAL PAYMENTS				\$ 129,322.53

**FIRST PUBLIC HYDROGEN AUTHORITY
LIST OF PAYMENTS ISSUED
APRIL 2026**

Payment					
Date	Vendor	Invoice Number	Description	Amount	
4/3/26	Arup US Inc	5006-2506748	Professional Svcs	\$	32,500.00
4/3/26	City of Lancaster	4/1/26	Donation	\$	1,600.00
4/3/26	Ernesto Medrano	4/1/26	Board Stipend	\$	1,600.00
4/3/26	FTI Consulting, Inc.	1.001E+11	Professional Svcs	\$	1,961.25
4/3/26	Gonzalez Property Svcs.	23865	Property Maintenance	\$	560.00
4/3/26	Humana Insurance Co.	072986003	Insurance Premium	\$	267.03
4/3/26	Industry Hills Charity Pro Rodeo	26-059	Sponsorship	\$	1,000.00
4/3/26	Jacob Brouwer	4/1/26	Board Stipend	\$	1,600.00
4/3/26	Jared Anderson	0015	Professional Svcs	\$	525.00
4/3/26	KP Public Affairs	7014887	Lobbyist Svcs	\$	10,000.00
4/3/26	Luis Andrino	0021	Professional Svcs	\$	1,080.00
4/3/26	Newell Wayne Ruggles	4/1/26	Board Stipend	\$	1,600.00
4/3/26	Robert M. Hertzberg	4/1/26	Board Stipend	\$	1,600.00
4/3/26	Stradling Yocca Carlson Rauth LLP	Multiple	Legal Svcs	\$	25,434.00
4/3/26	Tanya Peacock	4/1/26	Board Stipend	\$	1,600.00
4/3/26	The Bayshore Consulting Group, Inc	1550	Professional Svcs	\$	18,628.92
4/3/26	Vasquez Impact Solutions LLC	4/1/26	Board Stipend	\$	1,600.00
4/3/26	Waste Management	6194786-2508-7	Utilities	\$	80.85
4/10/26	Alexus Merino	4/7/26	Travel Reimbursement	\$	129.00
4/10/26	Alexus Merino	4/7/2026	Mileage Mileage	\$	226.20
4/10/26	Jason Caudle	4/8/26	Travel Reimbursement	\$	129.00
4/10/26	LA County Waterworks	7590414	Utilities	\$	161.58
4/10/26	The Winter Co.	16581-000335	Administrative Support	\$	382.50
4/10/26	Tripepi, Smith & Associates, Inc.	16941	Marketing Svcs	\$	5,723.75
4/10/26	Willson Consulting	148	Professional Svcs	\$	8,137.50
4/17/26	Infinity Technologies	5293	IT Svcs	\$	975.00
4/17/26	Jared Anderson	0016	Professional Svcs	\$	525.00
4/17/26	LA County Waterworks	7602300	Utilities	\$	542.25
4/17/26	Shuster Advisory Group LLC	11212	Professional Svcs	\$	750.00
4/17/26	Voltz Commercial Realty Advisors Inc	26081	Professional Svcs	\$	8,000.00
4/23/26	Jason Caudle	4/13/26	Travel Reimbursement	\$	215.00
4/23/26	Ryan Conover Unlimited LLC	7	Professional Svcs	\$	10,000.00
4/23/26	Ryan Conover Unlimited LLC	5	Professional Svcs	\$	10,000.00
4/23/26	Ryan Conover Unlimited LLC	6	Professional Svcs	\$	10,000.00
4/23/26	The Winter Co.	16581-000337	Administrative Support	\$	180.00
Grand Total					<u>\$ 159,313.83</u>

**FIRST PUBLIC HYDROGEN AUTHORITY
LIST OF OPEN PURCHASE ORDERS
As of APRIL 30, 2026**

Service Start Date	Service End Date	P.O. Number	Vendor	Amount	Remaining Amount	Description
7/1/25	6/30/26	001	The Bayshore Consulting Group, Inc	\$ 240,000.00	\$ 95,805.84	Technical Professional Services
7/1/25	6/30/26	002	ENSO Advisory Services, LLC	108,000.00	8,000.00	Technical Professional Services
7/1/25	6/30/26	003	FTI Consulting, Inc.	180,000.00	17,660.00	Technical Professional Services
1/13/25	6/30/26	004	Hall Energy Law PC	58,935.00	50,092.50	Legal fees
3/19/25	7/1/26	005	The Winter Co.	19,353.00	1,690.50	Administrative Support
1/1/25	4/30/26	007	Willson Consulting	175,000.00	81,550.00	Technical Professional Services
3/18/25	7/17/26	008	Tripepi, Smith & Associates, Inc.	31,582.75	12,191.12	Technical Professional Services
7/3/25	7/3/26	009	KP Public Affairs	120,000.00	42,097.00	Technical Professional Services
9/4/25	9/4/26	010	Jared Anderson	20,000.00	11,075.00	Technical Professional Services
7/1/25	7/1/26	011	Ryan Conover Unlimited LLC	190,000.00	60,000.00	Technical Professional Services
12/15/25	12/14/26	013	Pacific Utility Installation Inc.	127,500.00	107,630.00	Technical Professional Services
12/18/25	12/18/26	014	Luis Andrino	10,758.00	8,920.00	Technical Professional Services
12/9/25	12/8/26	015	Arup US Inc	65,000.00	32,500.00	Technical Professional Services
6/12/25	7/1/26	016	Infinity Technologies	20,720.00	19,745.00	Technical Professional Services
3/20/26	7/1/26	017	Wyn Parnters LLC	20,000.00	20,000.00	Technical Professional Services
TOTAL				\$ 1,386,848.75	\$ 568,956.96	

LIST OF SOLE SOURCE AGREEMENTS EXECUTED MARCH/APRIL 2026

VENDOR NAME	DESCRIPTION	TERM	NOT TO EXCEED AMOUNT
NONE			

**Status of City of Lancaster Promissory Note
as of April 30, 2026**

Original Note Amount 1/28/25:	\$ 2,600,000.00
Amendment 8/12/25:	<u>4,000,000.00</u>
Total Promissory Note Approved:	<u><u>\$ 6,600,000.00</u></u>

Total Drawdowns:	\$ 5,600,000.00
Interest Accrued:	<u>182,704.40</u>
Balance Owed to Lancaster:	<u><u>\$ 5,782,704.40</u></u>

Drawdown Date	Drawdowns Amt	Available Balance
1/30/25	\$ 2,600,000.00	\$ 4,000,000.00
8/27/25	1,000,000.00	3,000,000.00
12/8/25	1,000,000.00	2,000,000.00
3/12/26	1,000,000.00	1,000,000.00



STAFF REPORT

5/21/26
JC

Date: May 21, 2026

To: Chair Parris and Authority Members

From: Barbara Boswell, Treasurer

Item 3: **Consider Adoption of a Resolution Authorizing the Continuation of a Section 125 Premium Only Plan for Employees**

Recommendation:

Adopt a Resolution authorizing the continuation of a Section 125 Premium Only Plan for Employees.

Fiscal Impact:

The annual cost of the plan is \$100 and included in the adopted Fiscal Year 2025/26 Budget.

Background:

Section 125 of the Internal Revenue Code provides the opportunity for employees to pay their share of certain group insurance premiums on a pre-tax basis, reducing their taxable income. At its regular meeting August 21, 2025, the First Public Hydrogen Authority (FPH2) Board adopted Resolution No. 2025-013 authorizing the establishment of a Premium Only Plan (POP) which provides tax savings to employees, and also to FPH2 by reducing the amount of payroll subject to federal income and employment taxes.

The proposed resolution authorizes the continuation of the Section 125 Premium Only Plan.

Attachment:

Resolution Authorizing the Continuation of a Section 125 Premium Only Plan
Adoption Agreement

**FIRST PUBLIC HYDROGEN AUTHORITY
RESOLUTION NO. 2026-_____**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FIRST PUBLIC HYDROGEN AUTHORITY
AUTHORIZING THE CONTINUATION OF A SECTION 125 PREMIUM ONLY PLAN FOR EMPLOYEES**

WHEREAS, the First Public Hydrogen Authority (“FPH2” or “Authority”) desires to provide its eligible employees with the opportunity to pay their share of certain group insurance premiums on a pre-tax basis in accordance with Section 125 of the Internal Revenue Code; and

WHEREAS, a Premium Only Plan (POP) allows employees to elect to have their premium contributions for eligible group health insurance, dental, vision, and other qualified benefits deducted from their pay on a pre-tax basis, thereby reducing their taxable income; and

WHEREAS, the FPH2 Board adopted Resolution No. 2025-013 authorizing the establishment of a POP that results in tax savings to both the employees and the Authority by reducing the amount of payroll subject to federal income and employment taxes; and

WHEREAS, the Authority desires to continue a POP effective as of July 1, 2026 and to authorize the Chief Executive Officer or designee to take all actions necessary to implement and administer the POP in compliance with applicable laws and regulations.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the First Public Hydrogen Authority, as follows:

Section 1. The Board hereby approves and authorizes the continuation of a Section 125 Premium Only Plan for eligible employees of the Authority, effective as of July 1, 2026.

Section 2. The Chief Executive Officer or designee is hereby authorized to execute any and all documents necessary to establish, continue, implement, and administer the Premium Only Plan, including but not limited to the adoption agreement, plan documents, summary plan description, and any agreements with third-party administrators or legal counsel, as required.

Section 3. The Premium Only Plan shall be administered in accordance with Section 125 of the Internal Revenue Code and any other applicable federal and state laws and regulations, and any amendments thereto.

Section 4. If any section, subsection, clause or phrase of this Resolution is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Resolution

Section 4. This resolution shall take effect immediately upon its adoption.

The foregoing Resolution was passed and adopted this 21st day of May 2026, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

R. Rex Parris
Chair First Public Hydrogen Authority

ATTEST:

Kevin Tonoian, Interim Board Secretary
First Public Hydrogen Authority



STAFF REPORT

5/21/26
JC

Date: May 21, 2026

To: Chair Parris and Authority Members

From: Jason Caudle, Chief Executive Officer

Item 4: **Review and Provide Input into the Draft Fiscal Year 2026/27 First Public Hydrogen Authority Budget**

Recommendation:

Review and provide input into the Draft Fiscal Year 2026/27 First Public Hydrogen Authority Budget and direct staff to return with the Proposed Fiscal Year 2025/26 Budget on June 18, 2026, for adoption.

Fiscal Impact:

Staff proposes a balanced budget for FY 2026/27 with forecasted revenues in the amount of \$9,154,240 and proposed expenditures in the amount of \$8,850,243 and net results of operations in the amount of \$303,997.00

Background:

Fiscal Year 2026/27 proposed budget represents a significant milestone in FPH2’s lifecycle, as it includes forecasted revenues and cost of goods sold expenses as a result of hydrogen sales. Staff is working diligently to finalize agreements with potential offtakers for supply to be delivered early in the next fiscal year. In addition to the net hydrogen sales, the proposed budget includes revenues generated from professional services agreements in which FPH2 staff is providing consulting services.

Staff prepared the draft budget with the following key objectives in mind:

- Deliver on our mission to bring affordable, clean hydrogen to market by aligning every budgeted activity with the goal of securing and activating public-sector facilitated off-take.
- Support the internal capacity needed to negotiate, execute and enforce upstream and downstream hydrogen agreements, including legal counsel and coordination.

- Advance organizational readiness for fuel delivery by funding the planning, modeling and staffing needed to assess transportation options and engage third-party carriers.
- Promote FPH2’s public utility model through sustained outreach, strategic marketing and public sector lobbying to grow membership and reinforce our value to government, labor and industry.
- Maintain core operations by funding staffing, consultants, legal support and administrative resources needed to deliver services and respond to evolving agency needs.

FISCAL YEAR 2025/26 YEAR END ESTIMATES

Staff projects unanticipated revenue to be recognized and significant savings compared to budget as we end the current fiscal year, as reflected in the table below.

	FY 2025/26 Adopted Budget	FY 2025/26 Forecasted	Variance
Revenue	\$0.00	\$519,000	\$519,000
Expenditures	<u>4,541,850</u>	<u>3,700,000</u>	<u>(841,850)</u>
Net Results of Operations	<u>(\$4,541,850)</u>	<u>(\$3,181,000)</u>	<u>\$1,360,850</u>

The unanticipated revenue is generated from a professional services agreement that was entered into for FPH2 to provide consulting services, which was not included when the current year budget was developed. Savings is the result of staff taking a conservative approach to the use of consultants, the move from the leased property to an office space in a shared workspace and elimination of utility costs and lower rent as a result of the move.

The FY 2025/26 budget was financed through a Promissory Note with City of Lancaster. The improvement in Net Results of Operations leaves funding available from the Promissory Note to carryforward to FY 2026/27 to be available if needed.

FISCAL YEAR 2026/27 PROPOSED BUDGET

Staff proposes a FY 2026/27 Budget that is balanced, with sufficient revenues being generated to cover the proposed expenditures without tapping into funds available from the City of Lancaster Promissory Note.

The following table summarizes the Proposed FY 26/27 Budget compared to the current year adopted budget and forecasted actuals:

	FY 2025/26 Adopted Budget	FY 2025/26 Forecasted	FY2026/27 Proposed Budget
Revenue			
Operational Revenue	\$0.00	\$519,000	\$1,015,000
Net Hydrogen Sales	<u>0.00</u>	<u>0.00</u>	<u>2,303,997</u>
Net Revenue Forecast	\$0.00	\$519,000	\$3,318,997
Admin. Expenditures	<u>4,541,850</u>	<u>3,700,000</u>	<u>3,000,000</u>
Net Results of Operations	<u>(\$4,541,850)</u>	<u>(\$3,181,000)</u>	<u>\$318,997</u>

FY 2026/27 Forecasted revenues to support operations include \$1,000,000 in professional services fees, \$15,000 in interest income and \$2,303,997 in net hydrogen sales. Staff proposes administrative expenditures at \$3,000,000, which is \$700,000 lower than FY 2025/26 forecasted expenditures. The reduction is being achieved as one-time costs related to standing up the organization in FY 2025/26 will not be incurred in FY 2026/27.

FY 2025/26 projections indicate that \$3,700,000 of the approved \$4,541,850 budget will be expended. This results in funds from the City of Lancaster Promissory Note being available should hydrogen sales revenues not flow as projected in the forecast.

Funding from Lancaster Promissory Note	FY 2025/26	FY 2026/27
Available	\$4,555,000	\$1,374,000
Drawdowns	<u>\$3,181,000</u>	
Remaining to Carryforward	\$1,374,000	

The line item detail of the proposed operational budget based is presented in the table that follows.

CATEGORY/DESCRIPTION	PROPOSED AMOUNT
Staff Salaries & Benefits	\$1,469,300
Board Compensation	134,000
Professional/Technical Services	1,500,000
Legal Services	260,000
Special Events	50,000
Sponsorships	100,000
Marketing & Outreach	80,000
Dues & Memberships	22,000
Travel/Mileage Reimbursement	110,000
Meeting & Conference Registration	15,000
Operating Materials & Supplies	110,000
Insurance Expense	56,000
Information Technology/Software/Subscriptions	75,000
Utilities	55,000
Building Lease	24,000
Furniture & Equipment	15,450
Vehicles and Fueling Infrastructure	300,000
Interest Expense	100,000
TOTAL DRAFT BUDGET	\$4,506,450

Staff will return to the Board at its June 18, 2026, regular meeting with a proposed budget based on input received.

Attachment:

None



STAFF REPORT

05/21/26
JC

Date: May 21, 2026

To: Chair Parris and Authority Members

From: Jason Caudle, Chief Executive Officer

Item 5: **Receive and File – Second Aggregated Hydrogen Procurement Initiative Focused on Renewable and Green Hydrogen**

Recommendation:

Receive and file the following update regarding the First Public Hydrogen Authority’s second aggregation for hydrogen supply.

Fiscal Impact:

This item is informational only and does not have a direct fiscal impact associated with Board action at this time.

Background:

The First Public Hydrogen Authority (FPH₂) is initiating its second aggregated hydrogen procurement initiative, with an emphasis on advancing renewable green hydrogen supply opportunities for participating public agencies and transit operators throughout California.

As part of this effort, FPH₂ has been participating in ongoing coordination activities alongside the California Air Resources Board (CARB), which has helped convene a broader working group of over 10 transit agencies focused on advancing hydrogen deployment and addressing implementation challenges related to fuel supply, infrastructure coordination, operational reliability, and long-term affordability.

Working group activities have already commenced and are currently focused on reviewing participating agency demand projections, evaluating procurement structures, identifying

Second Aggregated Hydrogen Procurement

renewable and green hydrogen supply pathways, and supporting greater coordination among participating agencies and industry stakeholders.

FPH₂ anticipates releasing a solicitation associated with the Authority's second aggregation by early June 2026, subject to continued coordination with participating agencies and industry stakeholders.

Attachments:

None