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**Board of Directors Regular Meeting  
June 18, 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](mailto: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 FPH<sub>2</sub> Board, any member of the public will have the opportunity to address the FPH<sub>2</sub> Board on any item listed on the agenda.

**PRESENTATION**

*Consent Calendar*

**Item 1: Approve Minutes of May 21, 2026, Special Meeting**

**RECOMMENDATION**

Approve the Minutes of May 21, 2026, Special Board Meeting.

**Item 2: Receive and File Treasurer’s Report for Period Ended May 31, 2026**

**RECOMMENDATION**

Receive and File Treasurer’s Report for period ended May 31, 2026.

*Public Hearing*

**Item 3: Hold Public Hearing for Purposes of Receiving a Status of First Public Hydrogen Authority Vacancies, Recruitment and Retention Efforts Pursuant to AB2561**

**RECOMMENDATION**

Conduct the Public Hearing and accept report on the status of First Public Hydrogen Authority vacancies, recruitment, and retention efforts.

*New Business*

**Item 4: Consider Adoption of a Resolution Approving the First Public Hydrogen Authority Fiscal Year 2026/27 Budget**

**RECOMMENDATION**

Adopt resolution approving the First Public Hydrogen Authority Fiscal Year 2026/27 Budget.

**Item 5: 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 6: General Counsel Update and Questions Regarding First Public Hydrogen Authority Matters**

**RECOMMENDATION**

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

**Item 7: Board Discussion and Direction Regarding Board Retreat: Topics and Structure Related to Identifying Board Vision and Priorities for Next Fiscal Year**

**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.

**RECESS TO CLOSED SESSION**

**Item 9:** Conference With Real Property Negotiators  
Pursuant to Government Code Section 54956.8:  
PROPERTY APN: 3378-001-001  
FPH2 Negotiators: Jason Caudle and Allison Burns  
Negotiating Parties: Wen and Mang Huang

**RECONVENE TO OPEN SESSION**

**GENERAL COUNSEL ANNOUNCEMENT**

**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 July 16, 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](mailto:Secretary@FPH2.org) prior to the meeting for assistance.

**First Public Hydrogen Authority  
Board of Directors Regular Meeting Minutes  
May 21, 2026, 2:00 p.m.  
City of Industry, Council Chambers  
15625 Mayor Dave Way Industry, CA. 91744**

**CALL TO ORDER:** The regular meeting of the First Public Hydrogen Authority (FPH2) was called to order by Vice Chair Ruggles at 2:01 p.m.

**ROLL CALL:** Board Members Present: Brouwer, Hertzberg, Medrano, Vasquez, Vice Chair Ruggles.

**FLAG SALUTE:** Vice Chair Ruggles led the flag salute.

***Presentation***

None.

***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.

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

**Motion approved unanimously.**

## ***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.

Chief Executive Officer Jason Caudle provided the staff report.

Board Member comments: Board members asked questions regarding cash flow and timing of payments and cash receipts; budget process; staffing and growth; marketing consultants.

#### **Report received.**

### **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

Chief Executive Officer Jason Caudle provided an update on aggregation efforts; green hydrogen RFP - CARB and Governor's office engagement and endorsement; stakeholder agency working group; outreach efforts.

Board member questions and comments regarding qualifications of responders to first solicitation; out of state supply; consistent terminology used for green/renewable (carbon intensity); "qualified clean". Where RFP is advertised.

**Public Comment:** Will Crampton comment regarding the RFP process and qualifications.

#### **Report received.**

### **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 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 report on customer engagement efforts; stationary power projects; Board retreat.

Board member comments included benefit of municipal utility; opportunities outside of hydrogen; uniqueness and opportunities of FPH2.

**Item 7: General Counsel Update on FPH2 Matters**

**RECOMMENDATION**

Receive update General Counsel on FPH2 Matters.

General Counsel was not in attendance, so no report was given.

**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.**

Board discussion/questions on data centers; nuclear; consulting services. Off-grid solutions to reduce electric costs for consumers.

**PUBLIC COMMENT**

None

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

None

**BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS.**

Request for future presentation on Scattergood.

Vice Chair Ruggles adjourned the meeting at 2:55 p.m.

**NEXT MEETING:** Regular Board Meeting June 18, 2026.

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Barbara Boswell  
Treasurer



**STAFF REPORT**

6/18/26
JC

Date: June 18, 2026

To: Chair Parris and Authority Members

From: Barbara Boswell, Treasurer

Item 2: **Receive and File Treasurer’s Report for Period Ended May 31, 2026**

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**Recommendation:**

Receive and file Treasurer’s Report for period ended May 31, 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 May 31, 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 May 31, 2026**

I am happy to present the Monthly Treasurer's report as of May 31, 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 May 31, 2026, First Public Hydrogen Authority (FPH2) assets totaled \$601,570 with \$5,801,123 in total liabilities for a net position of (\$5,199,553).

Through May 31, 2026, FPH2 expended \$3,448,514, representing 91% of FPH2 total annual adopted budget and earned \$268,969 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 3.810% and total interest expense of \$200,484.40.

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

**FIRST PUBLIC HYDROGEN AUTHORITY**  
**STATEMENT OF NET POSITION**  
**Unaudited**  
As of May 31, 2026

**ASSETS**

Cash	
Cash & Investments – River City Bank	\$430,961
Lockbox Account – River City Bank	<u>100,000</u>
Total Cash	<u>\$ 530,961</u>
Other Assets	
Fixed Assets	\$ 70,509
Prepaid Expenses	<u>100</u>
Total Other Assets	<u>\$ 70,609</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 601,570</u></b>

**LIABILITIES**

Current Liabilities	
Accounts Payable	\$ 0
Credit Card Payable	565
Employee Benefits Payable	<u>74</u>
Total Current Liabilities	<u>\$ 639</u>
Noncurrent Liabilities	
Due to City of Lancaster	<u>\$ 5,800,484</u>
Total Noncurrent Liabilities	<u>\$ 5,800,484</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 5,801,123</u></b>
<b>NET POSITION</b>	<b><u>(\$5,199,553)</u></b>

**FIRST PUBLIC HYDROGEN AUTHORITY**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**Unaudited**  
Period Ended May 31, 2026

<b>OPERATING REVENUES</b>	
Consulting Services Income	\$ 250,000
Interest Income	<u>18,986</u>
<b>TOTAL OPERATING REVENUES</b>	<b><u>\$ 268,986</u></b>
<b>OPERATING EXPENSES</b>	
Staff Salaries & Benefits	\$ 1,278,526
Board Stipends	112,000
Operating Materials & Supplies	5,055
Meeting Expenses	4,098
IT Software/Subscriptions	50,581
Professional/Technical Services	1,251,087
Legal Services	440,921
Sponsorships	19,267
Marketing & Outreach	9,025
Dues & Memberships	34,680
Meetings & Conference Registration	1,578
Travel/Mileage Reimbursement	33,126
Insurance	23,156
Utilities	10,948
Building Rent	19,900
Interest Expense	<u>154,566</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>\$3,448,514</u></b>
<b>OPERATING INCOME (LOSS)</b>	<b><u>(\$3,179,528)</u></b>

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

**Unaudited**

Period Ended May 31, 2026

	<b>BUDGET</b>	<b>ACTUALS</b>	<b>AVAILABLE BUDGET \$</b>	<b>AVAILABLE BUDGET %</b>
<b>OPERATING REVENUE</b>	<b><u>\$0.00</u></b>	<b><u>\$268,986</u></b>		
<b>OPERATING EXPENSES</b>				
Staff Salaries & Benefits	\$ 1,535,400	\$ 1,278,526	\$156,874	16.73%
Board Stipends	134,000	112,000	22,000	16.42%
Materials & Supplies	110,000	5,055	104,945	95.40%
Meeting Expenses	50,000	4,098	45,902	91.80%
IT Software/Subscriptions	75,000	50,581	24,419	32.56%
Professional/Technical	1,500,000	1,251,087	248,913	16.60%
Legal Services	260,000	440,921	(180,921)	(69.59%)
Sponsorships	100,000	19,267	80,733	80.73%
Marketing & Outreach	80,000	9,025	70,975	88.72%
Dues & Memberships	22,000	34,680	(12,680)	(57.64%)
Meetings & Conferences	15,000	1,578	13,422	89.48%
Travel/Mileage	110,000	33,126	76,874	69.89%
Insurance	56,000	23,156	32,844	58.65%
Utilities	55,000	10,948	44,052	80.09%
Building Rent	24,000	19,900	4,100	17.08%
Interest Exp	100,000	154,566	(54,566)	(54.57%)
Furniture & Fixtures	<u>12,875</u>	<u>0</u>	<u>12,875</u>	<u>100.00%</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>\$4,239,275</u></b>	<b><u>\$3,448,516</u></b>	<b><u>\$790,759</u></b>	<b><u>18.65%</u></b>
<b>CHANGE IN NET POSITION</b>	<b><u>(\$4,239,275)</u></b>	<b><u>(\$3,179,528)</u></b>	<b><u>\$1,059,747</u></b>	<b><u>25.00%</u></b>

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

Payment date	Vendor	Invoice Number	Description	Amount
05/01/2026	Stradling Yocca Carlson Rauth LLP	Multiple invoices	March 2026 Legal Services	24,805.00
05/01/2026	Gibson, Dunn & Crutcher LLP	Inv 2026023829	January 2026 Legal Services	10,000.00
05/01/2026	Jared Anderson	Inv 0017	April 13 - 26 Social Media Mgmt & Content Creation	525.00
05/01/2026	Hall Energy Law PC	Inv 2020011177	March 2026 Legal Services	2,160.00
05/01/2026	Braun Blaising & Wynne P C	Inv 23253	March 2026 Legal Services	1,843.50
05/01/2026	KP Public Affairs	Inv 7015037	April 2026 Lobbying Services	5,000.00
05/01/2026	Robert M. Hertzberg	Inv 2026-05-01	May 2026 Board Stipend	1,600.00
05/01/2026	Jacob Brouwer	Inv 2026-05-01	May 2026 Board Stipend	1,600.00
05/01/2026	Tanya Peacock	Inv 2026-05-01	May 2026 Board Stipend	1,600.00
05/01/2026	City of Lancaster	Inv 2026-05-01	May 2026 Board Stipend	1,600.00
05/01/2026	Ernesto Medrano	Inv 2026-05-01	May 2026 Board Stipend	1,600.00
05/01/2026	Newell Wayne Ruggles	Inv 2026-05-01	May 2026 Board Stipend	1,600.00
05/01/2026	Vasquez Impact Solutions LLC	Inv 2026-05-01	May 2026 Board Stipend	1,600.00
05/01/2026	FTI Consulting, Inc.	Inv 100100167522	March 2026 Professional Services	5,167.50
05/04/2026	Humana Insurance Co.	# 072986002	May 2026 Dental & Vision Premiums	267.03
05/04/2026	Humana Insurance Co.	# 072985999	June 2026 Dental & Vision Premiums	267.03
05/07/2026	ENSO Advisory Services, LLC	05/04/2026	April 2026 Professional Services	4,000.00
05/08/2026	Willson Consulting	Inv 149	April 2026 Professional Services	6,562.50
05/08/2026	Tripepi, Smith & Associates, Inc.	Inv 17073	April 2026 Professional Services	712.50
05/08/2026	Arup US Inc	Inv 5006-2600566	Professional Services through May 5, 2026	32,500.00
05/08/2026	The Bayshore Consulting Group, Inc	Inv 1555	April 2026 Professional Services	6,339.00
05/08/2026	The Bayshore Consulting Group, Inc	Inv 1556	April 2026 Professional Services	1,819.25
05/08/2026	The Winter Co.	Inv 16581-000340	April 19 - May 2 2026 Professional Services	121.50
05/11/2026	PlanetBids LLC	Inv 1024499	2026/27 Subscription Fee	8,420.25
05/18/2026	Infinity Technologies	Inv 5446	April 2026 Professional Services	975.00
05/18/2026	Duke Engineering and Associates	Inv 26-04-09	Progress Payment Engineering Services	7,500.00
05/18/2026	Voltz Commercial Realty Advisors Inc	Inv 26081	Professional Services	8,000.00
05/21/2026	CaliforniaChoice Benefit Administrators	# 5124445	June 2026 Health Ins Premium	4,491.89
05/29/2026	MissionSquare	Multiple invoices	Administrative Fee	100.00
05/29/2026	CALSTART INC	Inv FY26MS 6/1/2026 - 5/31/2027	Membership Dues	3,950.00
05/29/2026	Pacific Utility Installation Inc.	Inv PS-INV104575	Professional Services through March 31, 2026	12,514.86
05/29/2026	CliftonLarsonAllen LLP	Inv L261284408	FY 2024/25 Auditing Services	2,100.00
05/29/2026	The Winter Co.	Inv 16581-000342	5/3 - 16/26 Professional Services	112.50
05/29/2026	Braun Blaising & Wynne P C	Inv 23306	April 2026 Legal Services	3,057.00
05/29/2026	Lorraine Paskett	5312026	Parking Reimbursement	40.00
<b>TOTAL PAYMENTS</b>				<b>\$164,551.31</b>

**FIRST PUBLIC HYDROGEN AUTHORITY  
LIST OF OPEN PURCHASE ORDERS  
As of MAY 31, 2026**

<b>Service Start Date</b>	<b>Service End Date</b>	<b>P.O. Number</b>	<b>Vendor</b>	<b>Amount</b>	<b>Remaining Amount</b>
3/20/26	7/1/26	017	Wyn Parnters LLC	20,000.00	20,000.00
6/12/25	7/1/26	016	Infinity Technologies	20,720.00	18,770.00
12/18/25	12/18/26	014	Luis Andrino	10,758.00	8,920.00
12/15/25	12/14/26	013	Pacific Utility Installation Inc.	127,500.00	95,115.14
7/1/25	7/1/26	011	Ryan Conover Unlimited LLC	190,000.00	60,000.00
9/4/25	9/4/26	010	Jared Anderson	20,000.00	11,075.00
7/3/25	7/3/26	009	KP Public Affairs	120,000.00	37,097.00
3/18/25	7/17/26	008	Tripepi, Smith & Associates, Inc.	31,582.75	11,478.62
1/1/25	4/30/26	007	Willson Consulting	175,000.00	74,987.50
3/19/25	7/1/26	005	The Winter Co.	19,353.00	1,355.25
1/13/25	6/30/26	004	Hall Energy Law PC	58,935.00	50,092.50
7/1/25	6/30/26	003	FTI Consulting, Inc.	180,000.00	17,660.00
7/1/25	6/30/26	002	ENSO Advisory Services, LLC	108,000.00	8,000.00
7/1/25	6/30/26	001	The Bayshore Consulting Group, Inc	240,000.00	87,647.59
<b>TOTAL</b>				<b>\$ 1,321,848.75</b>	<b>\$ 502,198.60</b>

**LIST OF SOLE SOURCE AGREEMENTS EXECUTED MAY 2026**

<b>VENDOR NAME</b>	<b>DESCRIPTION</b>	<b>TERM</b>	<b>NOT TO EXCEED AMOUNT</b>
NONE			

**First Public Hydrogen Authority  
Status of City of Lancaster Promissory Note  
as of May 31, 2026**

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

Total Drawdowns:	\$ 5,600,000.00
Interest Accrued:	200,484.40
<b>Balance Owed to Lancaster:</b>	<b><u><u>\$ 5,800,484.40</u></u></b>

<b>Drawdown Date</b>	<b>Drawdowns Amt</b>	<b>Available Balance</b>
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	<b>1,000,000.00</b>



**STAFF REPORT**

6/18/26
JC

Date: June 18, 2026

To: Chair Parris and Authority Members

From: Barbara Boswell, Treasurer

Item 3: **Hold Public Hearing for Purposes of Receiving a Status of Vacancies, Recruitment, and Retention Efforts Pursuant to AB2561**

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**Recommendation:**

1. Conduct the Public Hearing: Open the Public Hearing, receive public testimony, and close the Public Hearing.
2. Accept report on the status of FPH2 employee vacancies, recruitment and retention efforts.

**Fiscal Impact:**

There is no fiscal impact to this action.

**Background:**

Assembly Bill (AB) 2561 (McKinnor) amended the Myers-Milias-Brown Act (MMBA) adding Government Code Section 3502.3, effective January 1, 2025, which created a new obligation for public agencies to present the status of vacancies, recruitment, and retention efforts. The public hearing must be held at least once per fiscal year prior to adopting an annual budget.

During the hearing, the public agency is required to identify any necessary changes to policies, procedures, and recruitment activities that may lead to obstacles in the hiring process. The law also allows recognized employee organizations an opportunity to present at the public hearing, however, FPH2 does not have a recognized employee organization.

***Status of Job Vacancies***

The table below summarizes the status of currently authorized positions and vacancies.

**Table 1**

<b>Position</b>	<b># Authorized</b>	<b># Filled</b>	<b># Vacant</b>
Chief Executive Officer	1	1	0
Chief Operating Officer	1	1	0
Managing Director	1	1	0
Project Manager	3	2	1

***Recruitment and Retention Efforts***

FPH2 has 1 current Project Manager vacancy. FPH2 is not currently planning to recruit to fill the vacant position.

FPH2's retention efforts include offering competitive wages, generous retirement benefits including an employer contribution of 8% of base pay to a 401(a) Retirement account, employer match of employees' contribution to a 457(b) Retirement plan, up to 4% of base salary, generous vacation and sick time, and 11 paid holidays including a winter break.

Because FPH2 does not anticipate any new positions to be added this year, no changes are being recommended to its recruitment process and retention efforts.

**Attachment:**

Public Hearing Notice

LEGAL NOTICE  
FIRST PUBLIC HYDROGEN AUTHORITY  
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that at the meeting to be held at 2:00 p.m. on Thursday June 18, 2026, in the City of Industry City Council Chambers, located at 15625 Mayor Dave Way, Industry, CA, the Board of Directors of the First Public Hydrogen Authority will conduct a hearing to receive a status of vacancies, recruitment and retention efforts pursuant to AB2561.

DATE OF HEARING:	Thursday June 18, 2026
TIME OF HEARING:	2:00 p.m.
PLACE OF HEARING:	Council Chambers Industry City Hall 15625 Mayor Dave Way

All persons having information relevant to the proposed subject are hereby invited to appear at the time and place stated above to present such information to the Board Members; or, prior to the hearing, any written correspondence may be submitted to the First Public Hydrogen Authority Board Secretary 626 W. Lancaster Blvd, Suite 110, Lancaster California, 93534, or by emailing [Secretary@fph2.org](mailto:Secretary@fph2.org).

In compliance with the Americans with Disabilities Act, this meeting will be held at a location accessible to persons with disabilities; if you need special assistance to participate in this public meeting, please contact the Board Secretary at (833)722-3742. TDD users may call the California TDD Relay Service at 1-800-735-2922. Services such as American Sign Language interpreters, a reader during the meeting, auxiliary aids, large print copies of the agenda, and/or translation assistance for non-English speakers are available upon reasonable and timely request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting/event you wish to attend. Due to difficulties in securing sign language interpreters, five or more business days' notice is strongly recommended. For additional information, please contact the Board Secretary at (833)722-3742.

DATED: June 8, 2026

\_\_\_\_\_  
KEVIN TONOIAN  
Interim Board Secretary  
First Public Hydrogen Authority

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-  
Published: Tuesday, June 9, 2026  
Saturday, June 13, 2026

Antelope Valley Press

Posted: Monday, June 8, 2026

Lancaster City Hall  
Industry City Hall



**STAFF REPORT**

6/18/26
JC

Date: June 18, 2026

To: Chair Parris and Authority Members

From: Jason Caudle, Chief Executive Officer

Item 4: **Consider Adoption of a Resolution Approving the First Public Hydrogen Authority Fiscal Year 2026/27 Annual Budget**

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**Recommendation:**

Adopt Resolution approving the First Public Hydrogen Authority Fiscal Year 2026/27 Annual Budget.

**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 2026/27 PROPOSED BUDGET**

Staff proposes a FY 2026/27 Budget that is balanced, with sufficient revenues being generated to cover the proposed expenditures. It represents the first fiscal year where hydrogen sales transactions, both revenue and expenditures, are included in the budget.

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
<b>Revenue</b>			
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>3,080,300</u>
Net Results of Operations	<u>(\$4,541,850)</u>	<u>(\$3,181,000)</u>	<u>\$238,697</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 recur in FY 2026/27.

The line-item detail of the proposed administrative budget is presented in the table that follows.

CATEGORY/DESCRIPTION	PROPOSED AMOUNT
Staff Salaries & Benefits	\$1,469,300
Board Compensation	134,000
Professional/Technical Services	440,000
Legal Services	260,000
Sponsorships	30,000
Marketing & Outreach	10,000
Dues & Memberships	22,000
Travel/Mileage Reimbursement	110,000
Meeting & Conference Registration	15,000
Operating Materials & Supplies	110,000
Meeting Expenses	50,000
Insurance Expense	143,000
IT/Software/Subscriptions	75,000
Rent Expense	12,000
Interest Expense	200,000
<b>TOTAL DRAFT BUDGET</b>	<b>\$3,080,300</b>

FPH2 startup costs have been funded through a \$6.6M Promissory Note from City of Lancaster. To date, FPH2 had drawn down \$5.6M of that Note, leaving an available balance of \$1.0M. While the proposed budget is balanced, with sufficient forecasted revenues sufficient to cover proposed expenditures, it may be necessary to draw down a portion of the remaining available Note to cover cash flow needs during the coming fiscal year.

Adoption of the Resolution authorizes the appropriations and the Chief Executive Officer to implement the budget.

**Attachment:**

Resolution Approving the First Public Hydrogen Authority Fiscal Year 2026/27 Annual Budget

**FIRST PUBLIC HYDROGEN AUTHORITY  
RESOLUTION NO. 2026-\_\_\_\_\_**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FIRST PUBLIC HYDROGEN AUTHORITY  
APPROVING THE FISCAL YEAR 2026/27 ANNUAL BUDGET**

**WHEREAS**, the First Public Hydrogen Authority (“FPH2” or “Authority”) is a joint powers agency, formed in December 2024 by the cities of Industry and Lancaster; and

**WHEREAS**, in accordance with Government Code Sections 6508 and 6509, the Authority operates subject to the fiscal policies and procedures of its governing agreement and applicable provisions of California law; and

**WHEREAS**, the Chief Executive Officer submitted a proposed Fiscal Year 2026/27 Annual Budget for Board review and input at its May 21, 2026, Regular Board meeting; and

**WHEREAS**, the Board has determined that the proposed budget provides for the efficient operation of the Authority and supports the public purposes for which the Authority was formed.

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

Section 1. The Board hereby approved and adopts the Fiscal Year 2026/27 Annual Budget as presented and attached hereto as Exhibit A.

Section 2. The amounts specified in the Annual Budget are hereby appropriated for expenditure in accordance with the purposes and activities described therein.

Section 3. The Chief Executive Officer is authorized and directed to take all actions necessary to implement and manage the approved budget, including entering into contracts, making expenditures, transferring appropriations between line items when deemed appropriate, and administering funds in accordance with the budget and applicable law.

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

The foregoing Resolution No. \_\_\_\_\_ was passed and adopted this 18<sup>th</sup> day of June 2026, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

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R. Rex Parris  
Chair First Public Hydrogen Authority

ATTEST:

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Kevin Tonoian, Interim Board Secretary  
First Public Hydrogen Authority

Exhibit A  
 First Public Hydrogen Authority  
 Fiscal Year 2026/27 Proposed Annual Budget

CATEGORY/DESCRIPTION		PROPOSED AMOUNT
Hydrogen Sales Revenue	\$8,154,240	
Hydrogen Purchases	5,850,243	
Net Hydrogen Sales		\$2,303,997
Professional Services Revenue		1,000,000
Interest Income		\$15,000
<b>TOTAL FORECASTED REVENUE FOR OPERATIONS</b>		<b>\$3,318,997</b>
<b>PROPOSED ADMINISTRATIVE EXPENDITURES</b>		
Staff Salaries	\$1,180,500	
Health, Dental & Vision Ins	108,000	
Life/AD&D Insurance	2,300	
Lt/St Disability	4,500	
401(a) & RHS Plan Contributions	156,000	
Medicare	18,000	
Total Salaries & Benefits		\$1,469,300
Board Compensation		134,000
Professional/Technical Services		440,000
Legal Services		260,000
Sponsorships		30,000
Marketing & Outreach		10,000
Dues & Memberships		22,000
Travel/Mileage Reimbursement		110,000
Meeting & Conference Registration		15,000
Operating Materials & Supplies		110,000
Meeting Expenses		50,000
Insurance Expense		143,000
IT/Software/Subscriptions		75,000
Rent Expense		12,000
Interest Expense		200,000
<b>TOTAL PROPOSED ADMINISTRATIVE BUDGET</b>		<b>\$3,080,300</b>
<b>NET RESULTS OF OPERATIONS</b>		<b>\$238,697</b>