



**Board of Directors Regular Meeting
July 16, 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

Presentation by California Governor's Office of Business & Economic Development (GO-Biz) – Tyson Eckerle

Consent Calendar

Item 1: Approve Minutes of June 18, 2026, Regular Meeting

RECOMMENDATION

Approve the Minutes of June 18, 2026, Regular Board Meeting.

Item 2: Receive and File Treasurer's Report for Period Ended June 30, 2026

RECOMMENDATION

Receive and File Treasurer's Report for period ended June 30, 2026.

New Business

Item 3: Consider Adoption of a Resolution Rescinding Resolution 2026-004 Authorizing Continued Operations and Expenditures Pending Adoption of the Fiscal Year 2026/27 Budget and Approving the Fiscal Year 2026/27 Budget

RECOMMENDATION

Adopt Resolution Rescinding Resolution 2026-004 Authorizing Continued Operations and Expenditures Pending Adoption of the Fiscal Year 2026/27 Budget and Approving the Fiscal Year 2026/27 Budget.

Item 4: Consider Adoption of Resolution Supporting the Nomination of Eligible Census Tracts for Designation as Opportunity Zones under the Federal Opportunity Zone 2.0 Program

RECOMMENDATION

1. Adopt Resolution Supporting the Nomination of Eligible Census Tracts for Designation as Opportunity Zones under the Federal Opportunity Zone 2.0 Program ;and
2. Authorize the Chief Executive Officer, or his designee, to submit the required nomination materials and execute all documents necessary to complete the nomination process in a form approved by the General Counsel

Item 5: Chief Executive Officer Update and Board Member Questions Regarding Procurement, Marketing and Outreach, Transportation Services, Safety Protocols, Board Retreat 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 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 8: Pursuant to Government Code Section 54956.8:
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Chief Executive Officer

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 August 20, 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 Regular Meeting Minutes
June 18, 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 Chair Parris at 2:18 p.m.

ROLL CALL: Board Members Present: Brouwer, Medrano, Peacock, Vasquez, Vice Chair Ruggles, Chair Parris
Board Members Absent: Herzberg

FLAG SALUTE: Chief Executive Officer Jason Caudle led the flag salute.

Presentation

None.

Consent Calendar

Item 1: Approve Minutes of May 21, 2026, Regular Meeting

RECOMMENDATION

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

Item 2: **Receive and File Treasurer's Report for Period Ended May 21, 2026**

RECOMMENDATION

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

Public Comment on Consent Calendar: None

**Motion by Board Member Medrano, second by Board Member Brouwer, to approve the Consent Calendar.
Motion approved unanimously.**

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.

The Public Hearing was opened by Chair Parris. CEO Jason Caudle made a presentation that First Public Hydrogen Authority has 1 vacant position, however, the position is not proposed to be funded in Fiscal Year 2026/27 and there is not recruitment planned for that position. There were no requests to speak from the public and no questions or comments from the Board. The Public Hearing was closed by Chair Parris.

Public Comment on Item 3: None

**Motion by Board Member Medrano, second by Board Member Brouwer, to accept the report.
Motion approved unanimously.**

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.

Chief Executive Officer Jason Caudle presented the staff report, highlighting that the proposed budget is a balanced budget, reflecting contracts that are nearing execution and contracts currently executed. Proposed expenditures are lower than the current fiscal year, reflecting the decrease in work effort related in standing up FPH2.

Following discussion, the Board determined additional review was necessary prior to final adoption and requested the budget be continued to the .

Public Comment on Item 4: None

Motion by Board Member Peacock, second by Board Member Medrano to continue the budget to the next meeting.

Motion approved unanimously.

Because adoption of the FY 2026/27 Budget is continued to a future meeting, staff recommended approval of a Continuing Budget Resolution authorizing expenditures necessary for continued operation of the Authority until the annual budget could be considered and adopted.

Motion by Board Member Peacock, second by Chair Parris to adopt a resolution authorizing continued operations and expenditures pending adoption of the Fiscal Year 2026/27 Budget at the next Board meeting.

Motion approved unanimously.

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 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 the upcoming second aggregation.

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

Item 6: General Counsel Update on FPH2 Matters

RECOMMENDATION

Receive update General Counsel on FPH2 Matters.

No report was given.

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

Board members discussed options for location and possible tours as part of the Board Retreat.

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- none

RECESS TO CLOSED SESSION

Item 9: Conference with Real Property Negotiators
Pursuant to Government Code Section 549
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

Board gave direction to staff and legal counsel, no reportable action was taken.

PUBLIC COMMENT

None

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

None

BOARD MEMBER REQUESTS FOR FUTURE AGENDA ITEMS.

None.

Chair Parris adjourned the meeting at 3:59 p.m.

NEXT MEETING: Regular Board Meeting July 16, 2026.

Barbara Boswell
Treasurer



STAFF REPORT

7/16/26
JC

Date: July 16, 2026

To: Chair Parris and Authority Members

From: Barbara Boswell, Treasurer

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

Recommendation:

Receive and file Treasurer's Report for period ended June 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 June 30, 2026:

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

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

I am happy to present the Monthly Treasurer's report as of June 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 June 30, 2026, First Public Hydrogen Authority (FPH2) assets totaled \$561,491 with \$5,988,534 in total liabilities for a net position of (\$5,427,043).

Through June 30, 2026, FPH2 expended \$3,677,549, representing 87% of FPH2 total annual adopted budget and earned \$270,530 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 3.816% and total accrued interest of \$218,292.

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 June 30, 2026

ASSETS

Cash	
Cash & Investments – River City Bank	\$ 255,541
Lockbox Account – River City Bank	<u>100,000</u>
Total Cash	<u>\$ 355,541</u>
Other Assets	
Fixed Assets	\$ 70,509
Prepaid Expenses	<u>135,441</u>
Total Other Assets	<u>\$ 205,950</u>
TOTAL ASSETS	<u>\$ 561,491</u>

LIABILITIES

Current Liabilities	
Accounts Payable	\$ 171,383
Credit Card Payable	(1,025)
Employee Benefits Payable	<u>(117)</u>
Total Current Liabilities	<u>\$ 170,241</u>
Noncurrent Liabilities	
Due to City of Lancaster	<u>\$ 5,818,292</u>
Total Noncurrent Liabilities	<u>\$ 5,818,292</u>
TOTAL LIABILITIES	<u>\$ 5,988,534</u>
NET POSITION	<u>(\$5,427,043)</u>

* NOTE: Cash Balance above does not include \$1,000,000 remaining available funds from the Lancaster Promissory Note.

FIRST PUBLIC HYDROGEN AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Unaudited
Period Ended June 30, 2026

OPERATING REVENUES

Consulting Services Income	\$ 250,000
Interest Income	20,530
TOTAL OPERATING REVENUES	<u>\$ 270,530</u>

OPERATING EXPENSES

Staff Salaries & Benefits	\$ 1,384,506
Board Stipends	123,200
Operating Materials & Supplies	5,463
Meeting Expenses	4,098
IT Software/Subscriptions	50,581
Professional/Technical Services	1,315,525
Legal Services	463,478
Sponsorships	24,267
Marketing & Outreach	9,794
Dues & Memberships	34,680
Meetings & Conference Registration	1,578
Travel/Mileage Reimbursement	33,543
Insurance	23,614
Utilities	10,948
Building Rent	19,900
Interest Expense	172,374
Furniture & Fixtures	0
TOTAL OPERATING EXPENSES	<u>\$ 3,677,549</u>

OPERATING INCOME (LOSS)	<u>(\$3,407,019)</u>
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**FIRST PUBLIC HYDROGEN AUTHORITY
BUDGET TO ACTUALS COMPARISON**

Unaudited

Period Ended June 30, 2026

	BUDGET	ACTUALS	AVAILABLE BUDGET \$	AVAILABLE BUDGET %
OPERATING REVENUE	<u>\$0.00</u>	<u>\$268,986</u>		
OPERATING EXPENSES				
Staff Salaries & Benefits	\$ 1,535,400	\$ 1,384,506	\$150,894	9.83%
Board Stipends	134,000	123,200	10,800	8.06%
Materials & Supplies	110,000	5,463	104,537	95.00%
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	1,315,525	184,472	12.29%
Legal Services	260,000	463,478	(203,478)	(78.26%)
Sponsorships	100,000	24,267	75,733	75.73%
Marketing & Outreach	80,000	9,794	70,206	87.76%
Dues & Memberships	22,000	34,680	(12,680)	(57.64%)
Meetings & Conferences	15,000	1,578	13,422	89.48%
Travel/Mileage	110,000	33,543	76,457	69.51%
Insurance	56,000	23,614	32,386	57.83%
Utilities	55,000	10,948	44,052	80.09%
Building Rent	24,000	19,900	4,100	17.08%
Interest Exp	100,000	172,374	(72,374)	(72.37%)
Furniture & Fixtures	<u>15,450</u>	<u>0</u>	<u>15,450</u>	<u>100.00%</u>
TOTAL OPERATING EXPENSES	<u>\$4,241,850</u>	<u>\$3,677,549</u>	<u>\$564,301</u>	<u>13.30%</u>
CHANGE IN NET POSITION	<u>(\$4,241,850)</u>	<u>(\$3,408,563)</u>	<u>(\$833,287)</u>	<u>19.64%</u>

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

Payment		Invoice		
Date	Vendor	Number	Description	Amount
6/3/26	Principal	6/1/26	Insurance Premiums	\$ 403.30
6/3/26	Humana	6/1/26	Dental & Vision Premiums	267.03
6/8/26	City of Lancaster	6/1/26	Board Stipend	1,600.00
6/8/26	Ernesto Medrano	6/1/26	Board Stipend	1,600.00
6/8/26	Jacob Brouwer	6/1/26	Board Stipend	1,600.00
6/8/26	Jared Anderson	0018	Professional Svcs	525.00
6/8/26	KP Public Affairs	7015115	Lobbyist Svcs	5,000.00
6/8/26	Newell Wayne Ruggles	6/1/26	Board Stipend	1,600.00
6/8/26	Robert M. Hertzberg	6/1/26	Board Stipend	1,600.00
6/8/26	Tanya Peacock	6/1/26	Board Stipend	1,600.00
6/8/26	The Bayshore Consulting Group, Inc	1571	Administrative Support Svcs	1,922.25
6/8/26	The Bayshore Consulting Group, Inc	1570	Administrative Support Svcs	10,919.37
6/8/26	The Winter Co.	3581-000344	Administrative Support Svcs	101.25
6/8/26	Vasquez Impact Solutions LLC	6/1/26	Board Stipend	1,600.00
6/8/26	VerdeXchange LLC	734981a	Sponsorship	5,000.00
6/8/26	Willson Consulting	150	Professional Svcs	45,342.87
6/10/26	Paychex		Payroll Fees	63.75
6/12/26	State Compensation Ins Fund		Workers Comp Premium	457.87
6/12/26	Antelope Valley Press Inc.	00095614	Public Hearing Notice Posting	769.12
6/12/26	Infinity Technologies	5615	IT Services	2,719.12
6/17/26	Colonial Insurance		Supplemental Ins Premiums	211.79
6/20/26	Paychex		Payroll Fees	29.00
6/22/26	Ashley Wegner	6/12/26	Travel Reimbursement	170.00
6/22/26	ENSO Advisory Services, LLC	6/11/26	Professional Svcs	4,000.00
6/22/26	Stradling Yocca Carlson Rauth LLP	431878	Legal Services	1,265.00
6/22/26	Stradling Yocca Carlson Rauth LLP	431879	Legal Services	14,455.00
6/23/26	CaliforniaChoice Benefit Administrators	5148939	Health Insurance Premiums	4,491.89
6/25/26	River City Bank		Bank Fees	298.05
6/29/26	Divvy		Credit Card Payt	4,193.25
6/30/26	Ashley Wegner	6/18 Mileage	Mileage Reimbursement	145.00
6/30/26	Braun Blaising & Wynne P C	23358	Legal Services	4,045.00
6/30/26	Stradling Yocca Carlson Rauth LLP	432581	Legal Services	55.00
6/30/26	Stradling Yocca Carlson Rauth LLP	432580	Legal Services	1,870.00
6/30/26	Stradling Yocca Carlson Rauth LLP	432582	Legal Services	7,755.00
TOTAL PAYMENTS				<u>\$ 127,674.91</u>

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

Service Start Date	Service End Date	P.O. Number	P.O. Type	Vendor	Original Amount	Remaining Amount
7/1/25	6/30/26	001	Services	The Bayshore Consulting Group, Inc	\$ 240,000.00	\$ 74,805.97
7/1/25	6/30/26	002	Services	ENSO Advisory Services, LLC	108,000.00	4,000.00
7/1/25	6/30/26	003	Services	FTI Consulting, Inc.	180,000.00	17,660.00
1/13/25	6/30/26	004	Services	Hall Energy Law PC	58,935.00	50,092.50
3/19/25	7/1/26	005	Services	The Winter Co.	19,353.00	1,355.25
1/1/25	4/30/26	007	Services	Willson Consulting	175,000.00	69,650.00
3/18/25	7/17/26	008	Services	Tripepi, Smith & Associates, Inc.	31,582.75	11,478.62
7/3/25	7/3/26	009	Services	KP Public Affairs	120,000.00	37,097.00
9/4/25	9/4/26	010	Services	Jared Anderson	20,000.00	10,550.00
7/1/25	7/1/26	011	Services	Ryan Conover Unlimited LLC	190,000.00	60,000.00
12/15/25	12/14/26	013	Services	Pacific Utility Installation Inc.	127,500.00	95,115.14
12/18/25	12/18/26	014	Services	Luis Andrino	10,758.00	8,920.00
6/12/25	7/1/26	016	Services	Infinity Technologies	20,720.00	17,795.00
3/20/26	7/1/26	017	Services	Wyn Parnters LLC	20,000.00	5,000.00
5/21/26	5/21/27	018	Services	Hydroplane Ltd	30,000.00	30,000.00
TOTAL OPEN PURCHASE ORDERS					\$ 1,351,848.75	\$ 493,519.48

LIST OF SOLE SOURCE AGREEMENTS EXECUTED JUNE 2026

VENDOR NAME	DESCRIPTION	TERM	NOT TO EXCEED AMOUNT
NONE			

**First Public Hydrogen Authority
Status of City of Lancaster Promissory Note
as of June 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>218,292.40</u>
Balance Owed to Lancaster:	<u><u>\$ 5,818,292.40</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

7/16/26
JC

Date: July 16, 2026

To: Chair Parris and Authority Members

From: Jason Caudle, Chief Executive Officer

Item 3: **Consider Adoption of Resolution Rescinding Resolution 2026-004 Authorizing Continued Operations and Expenditures Pending Adoption of the Fiscal Year 2026/27 Budget and Approving the Fiscal Year 2026/27 Budget**

Recommendation:

Adopt Resolution Rescinding Resolution 2026-004 Authorizing Continued Operations and Expenditures Pending Adoption of the Fiscal Year 2026/27 Budget and Approving the Fiscal Year 2026/27 Budget.

Fiscal Impact:

Staff proposes a balanced budget for FY 2026/27, as summarized below:

Hydrogen Sales Revenue	\$6,869,760	
Cost of Good Sold	<u>4,928,695</u>	
Net Hydrogen Sales		\$1,941,065
Other Operational Revenue		<u>2,775,000</u>
Forecasted Revenue Available for Operations		\$4,716,065
Proposed Administrative Expenses		<u>3,256,445</u>
Net Results of Operations		<u>\$1,459,620</u>

Background:

At its regular meeting June 18, 2026, the Board was presented with the proposed Fiscal Year 2026/27 budget. At that meeting the Board adopted a Resolution to continue the FY 2025/26 Budget and directed staff to return to the next meeting with the proposed FY 2026/27 Budget for further discussion.

The proposed FY 2026/26 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. The budget related to hydrogen sales presented reflect further refinement on when sales activity is projected to begin. Staff continues to work 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. Revenues and expenditures have been adjusted in the current Proposed Budget to reflect additional services that are being provided.

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
Revenue			
Operational Revenue	\$ 0	\$ 519,000	\$2,775,000
Net Hydrogen Sales	0	0	<u>1,941,065</u>
Net Revenue Forecast	\$ 0	\$ 519,000	\$4,716,065
Admin. Expenditures	<u>4,541,850</u>	<u>3,700,000</u>	<u>3,256,445</u>
Net Results of Operations	<u>(\$4,541,850)</u>	<u>(\$3,181,000)</u>	<u>\$1,459,620</u>

FY 2026/27 Budget forecasts a Net Results of Operations in the amount of \$1,459,620. This result is based on generating \$2,750,000 in professional services fees, \$20,000 in interest income and \$1,941,065 in net hydrogen sales. Staff proposes administrative expenditures at \$3,256,445, which is \$443,555 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	\$1,145,445
Board Compensation	134,000
Professional/Technical Services	840,000
Legal Services	360,000
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
TOTAL PROPOSED ADMINISTRATIVE BUDGET	\$3,256,445

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 funds 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 Rescinding Resolution 2026-004 Authorizing Continued Operations and Expenditures Pending Adoption of the Fiscal Year 2026/27 Budget and Approving the Fiscal Year 2026/27 Budget

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

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FIRST PUBLIC HYDROGEN AUTHORITY
RESCINDING RESOLUTION 2026-004 AUTHORIZING CONTINUED OPERATIONS AND
EXPENDITURES PENDING ADOPTION OF THE FY 2026/27 BUDGET AND 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 Chief Executive Officer submitted the proposed Fiscal Year 2026/27 Annual Budget for Board approval at its June 18, 2026 Regular Board meeting; and

WHEREAS, the Board continued the Budget adoption to the July 16, 2026 Board meeting and adopted Resolution 2026-004 Authorizing Continued Operations and Expenditures Pending Adoption of the FY 2026/27 Budget; and

WHEREAS, the Board has determined that the Proposed FY 2026/27 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 Board rescinds Resolution 2026-004 Authorizing Continued Operations and Expenditures Pending Adoption of the FY 2026/27 Budget.

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. 2026-_____ was passed and adopted this 16th day of July, 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

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

CATEGORY/DESCRIPTION		PROPOSED AMOUNT
Hydrogen Sales Revenue	\$6,869,760	
Hydrogen Purchases	4,928,695	
Net Hydrogen Sales		\$1,941,065
Professional Services Revenue		2,750,000
Interest Income		<u>\$25,000</u>
TOTAL FORECASTED REVENUE FOR OPERATIONS		\$4,716,065
PROPOSED ADMINISTRATIVE EXPENDITURES		
Staff Salaries	\$900,280	
Health, Dental & Vision Ins	108,000	
Life/AD&D Insurance	2,300	
Lt/St Disability	4,500	
401(a) & RHS Plan Contributions	117,310	
Medicare	13,055	
Total Salaries & Benefits		\$1,145,445
Board Compensation		134,000
Professional/Technical Services		840,000
Legal Services		360,000
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		<u>200,000</u>
TOTAL PROPOSED ADMINISTRATIVE BUDGET		\$3,256,445
NET RESULTS OF OPERATIONS		<u>\$1,459,620</u>



STAFF REPORT

7/16/2026
JC

Date: July 16, 2026

To: Chair Parris and Authority Members

From: Jason Caudle, Chief Executive Officer

Item 4: **Consider Adoption of Resolution Supporting the Nomination of Eligible Census Tracts for Designation as Opportunity Zones under the Federal Opportunity Zone 2.0 Program**

Recommendation:

1. Adopt Resolution No. 2026- _____, supporting the nomination of eligible census tracts for designation as Opportunity Zones under the Federal Opportunity Zone 2.0 Program; and
2. Authorize the Chief Executive Officer, or his designee, to submit the required nomination materials and execute all documents necessary to complete the nomination process in a form approved by the General Counsel.

Fiscal Impact:

There is no fiscal impact resulting from the adoption of the Resolution.

Background:

The Federal Opportunity Zone 2.0 Program is designed to encourage private investment in eligible communities through federal tax incentives. As part of the program, the State of California is accepting recommendations for eligible census tracts to be considered for Opportunity Zone designation.

The State of California identified eligible census tracts within the Authority's service area that may be nominated under the Federal Opportunity Zone 2.0 Program. Following a review of the eligible census tracts and the program criteria established by the Governor's Office of

Business and Economic Development (GO-Biz), staff recommends nominating the following census tract:

- Census Tract 06037901300

Submitting these nominations allows the Authority to participate in California's Opportunity Zone 2.0 designation process and positions the nominated census tract to compete for future private investment. Adoption of the proposed resolution does not guarantee designation, commit the Authority to any financial incentives or expenditures, or approve any future development projects.

Attachments:

Attachment A - Resolution Supporting the Nomination of Eligible Census Tracts for Designation as Opportunity Zones under the Federal Opportunity Zone 2.0 Program

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

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FIRST
PUBLIC SUPPORTING THE NOMINATION OF ELIGIBLE CENSUS
TRACTS FOR DESIGNATION AS OPPORTUNITY ZONES UNDER THE
FEDERAL OPPORTUNITY ZONE 2.0 PROGRAM**

WHEREAS, the First Public Hydrogen Authority (FPH₂) is committed to promoting economic development, attracting private investment, creating quality jobs, and supporting the long-term vitality of its member communities; and

WHEREAS, the federal Opportunity Zone 2.0 Program encourages private investment in eligible communities through federal tax incentives; and

WHEREAS, the State of California has identified eighteen (18) eligible census tracts within the City of Lancaster that may be nominated for designation under the Opportunity Zone 2.0 Program; and

WHEREAS, FPH₂ Staff in coordination with the City of Lancaster have evaluated the eligible census tracts based on community development priorities, redevelopment potential, infrastructure investments, economic development opportunities, and their ability to attract future private investment; and

WHEREAS, based on this evaluation, Staff recommends nominating one eligible census tracts for consideration by the State of California; and

WHEREAS, designation of a census tract as an Opportunity Zone is subject to review and approval by the State of California and the United States Department of the Treasury, and designation does not obligate the FPH₂ to provide financial incentives, approve any development project, or expend funds.

**NOW, THEREFORE, THE BOARD OF THE FIRST PUBLIC HYDROGEN AUTHORITY DOES
HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:**

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Support of Nominations. The Board of Directors hereby expresses its support for the nomination of the census tract identified in Exhibit A for consideration under the federal Opportunity Zone 2.0 Program.

Section 3. Nomination Application. The Chief Executive Officer, or his or her designee (collectively, the Chief Executive Officer), is authorized to prepare, execute and submit any

documentation necessary to support the nomination of the census tract, identified in Exhibit A, including the required application materials and supporting information requested by the State of California.

Section 4. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption.

The foregoing Resolution was passed and adopted on this 16th day of July 2026, by the following vote:

AYES:

NOES:

ABSENT:

APPROVED:

R. Rex Parris, Chair
First Public Hydrogen Authority

ATTEST:

Board Secretary
First Public Hydrogen Authority

Exhibit A

Recommended Opportunity Zone 2.0 Census Tracts

- Census Tract 06037901300

EXHIBIT A

Recommended Opportunity Zone 2.0 Census Tracts

