MINUTES

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

Date: October 13, 2026
Time: 9:00 a.m.
Place: 2721 West 10th Avenue, Kennewick, Washington

Present: Commissioner Jeff Hall, President
Commissioner Mike Massey, Secretary
General Manager Rick Dunn
Chief Financial Officer Jon Meyer
Chief Operating Officer Chris Folta
Director of Human Resources & Communications Karen Dunlap
Director of Conservation & Distributed Energy Resources Chris Johnson
Director of Customer Service and Treasury Keith Mercer
Records Program Administrator II Nykki Drake

Absent: Commissioner Lori Kays-Sanders, Vice-President
Director of IT & Broadband Services Jennifer Holbrook
Director of Engineering Evan Edwards
General Counsel Allyson Dahlhauser

Benton PUD employees present during all or a portion of the meeting, either in person or virtually: Annette Cobb, Manager of Customer Service; Blake Scherer, Manager of Power Supply & Transmission Service; Dax Berven, Senior Engineer; Duane Szendre, Superintendent of Operations; Eric Dahl, Communications Specialist II; Jenny Sparks, Manager of Communications & Customer Engagement; Jodi Henderson, Manager of Government & Community Relations; Katie Grandgeorge, Financial Analyst III; Kent Zirker, Manager of Accounting; Levi Lanphear, Procurement Administrator; Michelle Ness, Supervisor of Distribution Design; Michelle Ochweri, Manager of Procurement; Jessie Grad, Superintendent of Transmission & Distribution; Robert Frost, Supervisor of Energy Programs; Shannon Sensibaugh, Administrative Assistant, II; Tyson Brown, Procurement Specialist II; Kayla Sidwell, Senior Communications Specialist; Lurii Blackwell, Finance Coordinator II.

Call to Order & Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

President Hall excused Commissioner Sanders from attendance at today's meeting.

Agenda Review

Approved as presented.

Public Comment

None.

Treasurer's Report

Keith Mercer, Director of Customer Service & Treasury Operations, reviewed the September 2026 Treasurer's Report with the Commission as finalized on October 3, 2026.

Consent Agenda

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

a. Regular Commission Meeting Minutes of September 22, 2026
b. Travel Report dated October 13, 2026
c. Vouchers (report dated October 13, 2026) audited and certified by the auditing officer as required by RCW 42.24.080, and those expense reimbursement claims certified as required by RCW 42.24.090, have been recorded on a listing made available to the Commission and approved as follows for payment:
   Accounts Payable: Automated Clearing House (DD) Payments: 117019-117055 and 117217-117298 in the amount of $1,871,847.42.
   Checks & Customer Refund Payments (CHK): 93029-93106 in the amount of $163,427.66;
   Electronic Fund Transfer (WIRE) Payments: 7708-7727 in the amount of $9,645,770.33;
   Residential Conservation Rebates: Credits on Customer Accounts in the amount $530.00;
   Payroll: Direct Deposit – 09/24/2026: 117056-117216 in the amount $517,700.62;
   Grand total - $12,199,276.03
d. Jobs Report (Work Orders up to $100,000)
e. WO# 776684 –Apple Valley PH6C
f. 2026– 3rd Quarter Procurement Contracts – Activity Report
g. Resolution No. 2739 - Surplus of Equipment
h. Resolution No. 2740 - Surplus of District Vehicles
i. Resolution No. 2741 - Approval of the 2026 Prequalification B of Contractors

Management Report

Director of Human Resources & Communications – Karen Dunlap

1. **80th Anniversary Event**
   Jenny Sparks, Manager of Communications & Customer Engagement, shared the success of the 80th Anniversary customer event, held on October 1, 2026, with the Commission.

Chief Operation Officer – Chris Folta

1. **2nd Street Outage**

   COO Chris Folta provided the Commission with an update on the September 25, 2026, Sunset Road Substation outage caused by the 2nd Street Fire, which impacted 1,451 customers. The fire damaged numerous distribution and transmission poles, transformers, and electrical infrastructure. Restoration efforts involved 35 Benton PUD employees, with mutual aid assistance from Benton Rural Electric Association and DJ's Electrical. COO Chris Folta also reviewed the restoration efforts, customer communications, and coordination required to restore power, which was completed on September 26, 2026.

Chief Financial Officer – Jon Meyer

1. **Bond Issue Update**

   CFO Jon Meyer provided the Commission with an update on the 2026 Electric Revenue Bond Sale. Despite challenging market conditions, the sale generated strong investor interest which resulted in a slightly lower interest rate. CFO Jon Meyer also reviewed the District's debt service obligations and repayment schedule through 2051.

2. **BPA BP-27 Update**

   CFO Jon Meyer provided the Commission with an update on the Bonneville Power Administration (BPA) BP-27 rate case.

3. **BPA Financial Policy**

   CFO Jon Meyer informed the Commission that Bonneville Power Administration (BPA) is reviewing its financial policy and has scheduled a workshop for October 20, 2026. In previous workshops BPA had considered rate mechanisms to build reserves, which would result in upward wholesale rate pressure. With member input including Benton PUD, PPC has provided feedback indicating strong opposition from its members to BPA's proposal to build additional reserves. BPA is also looking at potential changes to DCOH thresholds and monetary caps on the Financial Reserve Policy and Cost Recovery Adjustment Clause Surcharges.

4. **Customer Assistance Day**

   Keith Mercer, Director of Customer Service & Treasury Operations, informed the Commission that Customer Assistance Day, formerly known as Senior Day, will be held on October 28, 2026 in both Kennewick and Prosser. Mailers containing information about the event have been sent to customers approaching their discount renewal date, as well as former discount program participants who are no longer receiving a discount.

General Manager – Rick Dunn

1. **25th Service Anniversary**

   GM Rick Dunn recognized Chief Financial Officer Jon Meyer for his 25 years of service to Benton PUD.

2. **PPC Update**

   GM Rick Dunn provided the Commission with an update on his recent Public Power Council (PPC) Executive Committee meeting, where he emphasized the importance of transparency and accountability. He reviewed PPC's efforts to improve Bonneville Power

Administration (BPA) transmission reporting, including staffing levels, project progress, capital investments, and system constraints. GM Rick Dunn also shared information comparing BPA's 2025 and 2026 transmission revenues and discussed the importance of financial transparency and communication with public power customers, noting that investor-owned utilities became BPA's largest source of transmission revenues in FY 2026 surpassing public utilities.

3. **Tri-Cities Re-enforcement Project**
   GM Rick Dunn provided the Commission with an update on the Bonneville Power Administration (BPA) South of Tri-Cities transmission Reinforcement Project, which includes construction of the new Webber Canyon Substation and transmission line improvements to increase capacity and reliability in the Tri-Cities area. Construction is underway, with completion anticipated at the end of 2029 which really means the project won't be in service until 2030. GM Rick Dunn reviewed project progress, including transmission line design, land acquisition, and right-of-way coordination, as well as challenges related to permitting, supply chain delays, and significant increases in construction costs. The Project was supposed to be in service by the end of 2025 but has been delayed multiple times. Overall, if the project is placed in service in 2030, it will have taken more than ten years for BPA to complete the project from the time a need was identified. Dunn said this is far too much time for a project of this nature.
4. **PNUCC AMI & MOAA Presentations; TC Chamber Luncheon – The Race to Power**
   GM Rick Dunn informed the Commission that he recently presented on lessons learned from the District's advanced metering infrastructure (AMI) deployment as part of the Pacific Northwest Utilities Conference Committee (PNUCC) October meeting. He also shared that he is scheduled to speak at a meeting of a local chapter of the Military Officers Association of America and will be a featured speaker at the Tri-Cities Chamber Luncheon later this month.

The Commission briefly recessed, reconvening at 10:40 a.m.

Business Agenda

Washington Public Utility Districts Association (WPUDA) Visit

Washington Public Utility Districts Association (WPUDA) officers and staff attended the Commission meeting. The current WPUDA President recognized Commission President Hall for his past service as WPUDA President and expressed appreciation for Benton PUD's involvement and contributions to the organization. WPUDA representatives also praised General Manager Rick Dunn for his leadership and dedication to public power and recognized Benton PUD staff for their continued participation and support of WPUDA. WPUDA also shared updates and discussed current utility-related topics.

Set Public Hearing – Preliminary 2027 Budget and Rate Increase

Keith Mercer, Director of Customer Service & Treasury Operations, requested the Commission set a public hearing on the Preliminary 2027 Budget and rate increase. Preliminary budget packets will be distributed to the Commission on November 5, 2026. The public hearing will be

held on November 10, 2026, at 6:00 p.m., with the public comment period closing December 1, 2026. Adoption of the final budget and rate increase is anticipated for December 8, 2026.

MOTION: Commissioner Massey moved to set a Public Hearing on the Preliminary 2027 Budget and rate increase for November 10, 2026, at 6:00 p.m., to be held at the District's Administration Office located at 2721 West 10th Avenue, Kennewick, Washington, as well as via conference call at 1-323-553-2644, conference ID 614 553 829#, and directing the General Manager to publish notice of the public hearing date, time, and location. Commissioner Hall seconded, and upon vote, the motion carried unanimously.

Executive Session – Potential Litigation

The Commission convened in executive session at 11:36 a.m. for 14 minutes with General Manger Rick Dunn, Chief Operating Officer Chris Folta, Chief Financial Officer Jon Meyer, Director of Customer & Treasury Service Keith Mercer, and Director of Human Resources & Communications Karen Dunlap to discuss potential litigation. The Commission came out of executive session at 11:50 a.m.

Adjournment

Hearing no objection, President Hall adjourned the meeting at 11:53 a.m.

Jeff Hall
_____
Jeff Hall, President

ATTEST:

_____
Mike Massey, Secretary

Signature Certificate

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Name: Commission Voucher Report 2026-10-27

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Document Total Pages: 38



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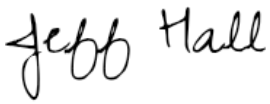
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Consent:	eSignature Consent Accepted
Security Level:	Email



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