MINUTES

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

Date: October 27, 2026
Time: 9:00 a.m.
Place: 2721 West 10th Avenue, Kennewick, Washington

Present: Commissioner Jeff Hall, President
Commissioner Lori Kays-Sanders, Vice-President
Commissioner Mike Massey, Secretary
General Manager Rick Dunn
Chief Financial Officer Jon Meyer
Chief Operating Officer Chris Folta
Director of IT & Broadband Services Jennifer Holbrook
Director of Conservation & Distributed Energy Resources Chris Johnson
Director of Customer Service and Treasury Keith Mercer
Director of Engineering Evan Edwards
Records Program Administrator II Nykki Drake
General Counsel Allyson Dahlhauser

Absent: Director of Human Resources & Communications Karen Dunlap

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; Duane Crum, Manager of IT Infrastructure; Duane Szendre, Superintendent of Operations; 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 Ochweri, Manager of Procurement; Michelle Ness, Supervisor of Distribution Design; Jessie Grad, Superintendent of Transmission & Distribution; Robert Frost, Supervisor of Energy Programs; Shannon Sensibaugh, Administrative Assistant II; Tyson Brown, Procurement Specialist II; Zach Underhill, Distribution Designer; Shawn Harper, Superintendent of Support Services; Anthony Johnson, IT Security Engineer II; Roxanne Weller, Administrative Assistant II - Power Management; Tyler Scott, IT Systems Engineer ; Mary Myers, Engineering Technician.

Call to Order & Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

Approved as presented.

Public Comment

None.

Consent Agenda

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

a. Regular Commission Meeting Minutes of October 13, 2026
b. Travel Report dated October 27, 2026
c. Vouchers (report dated October 27, 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: 117457-117539 in the amount of $1,968,991.89
   Checks & Customer Refund Payments (CHK): 93107-93220 in the amount of $250,716.81;
   Electronic Fund Transfer (WIRE) Payments: 7728-7738 in the amount of $668,578.54;
   Residential Conservation Rebates: Credits on Customer Accounts in the amount $270.00;
   Payroll: Direct Deposit – 10/08/2026: 117299-117456 in the amount $564,305.77;
   Grand total - $3,452,863.01
d. Work Order 688230 - 115kV Transmission Switch BC1616 & BC1617 installs adjacent to Prior 2 Substation
e. Work Order 763137 - 115kV Transmission Switch BC190 Replacement & BC1619 Install
f. Contract Award – Administration Building Heat Pump Replacement, Formal Quote #26-38-07 – Campbell & Company Service Corporation
g. Conservation Rebate Report for 3rd Quarter 2026

Management Report

Chief Financial Officer - Jon Meyer

1. **Northwest Power and Conservation Council (NWPCC) Ninth Power Plan – Benton PUD Filing, Hydro Modelling Error**
   Chief Financial Officer Jon Meyer informed the Commission that Benton PUD submitted comments, which were due on October 16, 2026, on the Draft Ninth Power Plan released by the NWPCC. In addition, BPA identified an error during its review of the hydropower model, which the Council confirmed as a model setup error on October 23. The Council will be working on making the correction and final adoption of the Ninth Power Plan is now anticipated in spring 2027.

2. **Residential Exchange**
   Chief Financial Officer Jon Meyer provided the Commission with an update on Bonneville Power Administration (BPA) latest Residential Exchange public workshop and their push for investor-owned utilities (IOUs) and consumer-owned utilities to come up with a settlement.

3. **Financial Report**
   Chief Financial Officer Jon Meyer provided the Commission with a financial report for September 2026.

General Manager – Rick Dunn

1. **Strategic Plan Update and Next Steps**
   General Manager Rick Dunn notified the Commission that the District's Strategic Plan editing and updating process is underway but is not complete, highlighting that Staff have not identified any new strategic actions that would have an impact on future budgets. Manager Dunn indicated that given his and Commissioner Hall's retirements that he recommends the newly elected commissioner be provided an opportunity to contribute to the strategic plan update process and that a final version of the next plan be approved at the December 8, 2026 Commission meeting. All commissioners agreed with the recommendation.
2. **Senate Bill 5653 Federal Permitting Reform – Public Power Council (PPC) Support**
   General Manager Rick Dunn informed the Commission that the Public Power Council (PPC) has provided a letter in support of Senate Bill 5653 regarding federal permitting reform. This bill would put a "shot clock" on legal challenges to permitting, allow for an increase in the Bonneville Power Administration salary administration plan in alignment with public power salaries, and subject BPA to Federal Energy Regulatory Commission (FERC) jurisdiction when it comes to interregional transmission planning and cost allocation.
3. **Western Markets Update – 9th Circuit Legal Challenge**
   General Manager Rick Dunn provided the Commission with an update that the court ruled that the plaintiffs lacked standing because BPA's decision to pursue the Southwest Power Pool's (SPP) Markets+ over CAISO's Extended Day-Ahead Market (EDAM) is not yet final and the market itself is still under development ahead of a projected 2028 launch. General Manager Dunn also reviewed a guest column written by Tim Beldon with Energy GPS titled "*Modeling Flaws Distort Prices and Outcomes for BPA Benefit Studies*." Mr. Beldon's column provided a data-driven critique of E3 consulting's production cost modeling which indicates BPA would be better off financially if they joined EDAM. Among other things, Mr. Belden demonstrated how E3's modeling is way off when it comes to predicting the results of how regional power markets work today. Manager Dunn concluded by quoting Mr. Belden's guest column where he stated, "A model which cannot explain today's prices should not be trusted to evaluate tomorrow's market."
4. **Salmon Managers Discuss Bounties – Walleye**
   General Manager Rick Dunn informed the Commission of a *Clearing Up* article regarding the impacts nonnative fish species are having on salmon with a focus on walleye, which

have spread throughout the Columbia Basin following their illegal introduction into Lake Roosevelt in the mid-1900s. The article highlighted concerns from regional salmon managers that invasive walleye threatens salmon and steelhead recovery efforts in the Snake River above Lower Granite Dam. Salmon managers from three Northwest states and the Nez Perce Tribe are considering walleye suppression efforts. The Nez Perce Tribe is considering a potential bounty program. Ed Schriever, Chair of the Northwest Power and Conservation Council's Fish and Wildlife Committee, said, "There's a lot of fishing guides that are making good money taking people walleye fishing. That's a sad state of affairs, in my opinion. They should be making good money taking people salmon and steelhead fishing." He added, "Collectively, we need to get the stomach for what we're up against."

The Commission briefly recessed, reconvening at 10:15 a.m.

Business Agenda

Small Distributed Generation Interconnection & Net Billing
Chief Financial Officer Jon Meyer and Blake Scherer, Manager of Power Supply & Transmission Service provided the Commission with an update on small distributed generation interconnection and the proposed Net Billing rate structure, including an avoided-cost credit of approximately 4.04 cents per kWh. Staff plans to return in November with a final rate schedule and resolution for Commission consideration.

Financial Forecast
Chief Financial Officer Jon Meyer provided the Commission with an updated financial forecast through 2030, including projected revenues, expenses, reserves, capital expenditures, and future rate increases. The forecast incorporates updated BPA power costs and estimated financial impacts of the preliminary injunction. The CFO also reviewed the proposed 2027 rate increase of 4%, including the recommendation to allocate the increase uniformly across all customer classes. The proposed rates will come to Commission for consideration in December.

Resolution No. 2742 – Amending the 2026 Budget
Chief Financial Officer Jon Meyer presented to the Commission Resolution No. 2742, amending the District's 2026 Budget to reflect updated year-end revenue and expenditure projections. The proposed amendment includes a $1.8 million decrease in revenues and a net $3.9 million reduction in expenditures and capital additions, resulting in an estimated $2.1 million improvement to the District's financial position compared to the original budget. Adjustments reflect lower power costs, revised capital project priorities, and updated debt service expenses.

MOTION: Commissioner Sanders moved to approve Resolution No. 2742, amending the 2026 Budget. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

2027 Preliminary Budget Information
Chief Financial Officer Jon Meyer and Director of Customer Service and Treasury Keith Mercer presented to the Commission the District's preliminary 2027 Budget and proposed electric rate increase. The preliminary budget projects revenues of $159.2 million, an increase of 3.5% over the 2026 original budget, with net power expenses of $90.7 million, an increase of 4.2%. Non-power operating expenses are projected at $64.9 million, an increase of 6.5%, while net capital additions are budgeted at approximately $30 million, reflecting investments in transmission, distribution, infrastructure, and technology improvements. A detailed presentation of the preliminary budget and proposed rate increase will be provided to the Commission and public during the Public Hearing on November 10, 2026 at 6:00p.m.

Cyber Security Annual Report
Duane Crum, Manager of IT Infrastructure, and Anthony Johnson, IT Security Engineer II, presented the Annual State of Cybersecurity update to the Commission. The presentation covered cybersecurity trends, recent threats, District security measures, cybersecurity and artificial intelligence policies, internal security statistics, and planned improvements for 2027, including enhanced monitoring and protection of operational technology systems.

Strategic Technology Plan Annual Update
Director of IT & Broadband Services Jennifer Holbrook provided the Commission with an annual update on the District's Strategic Technology Plan, highlighting 2026 accomplishments, ongoing initiatives, and future priorities. The pLTE project remains on track, while substation security improvements have been deferred for one year. Also discussed was progress toward a machine learning proof of concept planned for 2027. No major new initiatives have been added to the plan. The next annual progress update is scheduled for 2027 and a major update in 2028.

Executive Session – Matters Affecting National Security – RCW 42.30.110(1)(a)(i)
The Commission convened in executive session at 11:45 a.m. for 10 minutes with General Manger Rick Dunn, Chief Operating Officer Chris Folta, Chief Financial Officer Jon Meyer, and General Counsel Allyson Dahlhauser to discuss matters affecting national security. The Commission came out of executive session at 11:55 a.m.

Adjournment
Hearing no objection, President Hall adjourned the meeting at 11:58 a.m.

Jeff Hall
_____
Jeff Hall, President

ATTEST:

_____
Mike Massey, Secretary

Signature Certificate

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Author:	Nykki Drake	Creation Date:	10 Nov 2026, 10:04:22, PST	Completion Date:	10 Nov 2026, 14:40:03, PST

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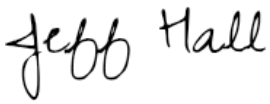
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Security Level:	Email



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