

MINUTES

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

Date: June 23, 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
Assistant General Manager/Sr. Director Operations Steve Hunter
Chief Financial Officer Jon Meyer
Chief Operating Officer Chris Folta
Director of IT & Broadband Services Jennifer Holbrook
Director of Human Resources & Communications Karen Dunlap
Director of Customer Service and Treasury Keith Mercer
Director of Engineering Evan Edwards
Supervisor of Executive Administration/Clerk of the Board Cami McKenzie
Records Program Administrator II Nykki Drake
General Counsel Allyson Dahlhauser via/MS TEAMS

Absent: Director of Conservation & Distributed Energy Resources Chris Johnson

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; Eric Dahl, Communications Specialist II; Jenny Sparks, Manager of Communications & Customer Engagement; Kent Zirker, Manager of Accounting; Levi Lanphear, Procurement Administrator; Michelle Ness, Supervisor of Distribution Design; Michelle Ochweri, Manager of Procurement; Robert Frost, Supervisor of Energy Programs; Shanna Everson, Distribution Designer; Tyson Brown, Procurement Specialist II; Zach Underhill, Distribution Designer.

Call to Order & Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

The agenda was approved as submitted.

Public Comment

None.

Consent Agenda

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

- a. Regular Commission Meeting Minutes of June 9, 2026.
- b. Travel Report dated June 23, 2026.
- c. Vouchers (report dated June 23, 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: 115369-115431 in the amount of \$1,376,875.98.
Checks & Customer Refund Payments (CHK): 92282-92372 in the amount of \$232,626.10;
Electronic Fund Transfer (WIRE) Payments: 7619-7630 in the amount of \$1,048,862.05;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$1,590.00;
Payroll: Direct Deposit – 6/4/2026: 115212-115368 in the amount \$502,215.76;
Voided checks (June 2026) in the amount of \$6,495.00;
Grand total - \$3,162,169.89
- d. Resolution No. 2732 – Use of District Vehicles/Reimburse for Tax Costs
- e. Quit Claim Deed – City of Richland
- f. Completion & Acceptance of Contract-Cabling & Technology Services-Contract #25-46-09

Management Report

Operations - Assistant General Manager/Senior Director Steve Hunter

1. Prosser Outage: BPA Ops Coordination & Future Transmission Options

Assistant General Manager/Senior Director Steve Hunter reviewed the June 14 fire-related transmission outage affecting approximately 6,000 customers in the Prosser and Benton City areas. Discussion included BPA's response and restoration efforts, the District's request to expand 115-kV transmission line dead-line switching authority under its operating agreement with BPA, and transmission redundancy options being evaluated for serving the Prosser area.

Chief Financial Officer - Jon Meyer

1. State Audit

Chief Financial Officer Jon Meyer reported that the 2025 State Accountability Audit was complete with no findings. The District did receive an exit note related to not removing a couple of obsolete tools from its small and attractive asset list. Staff will review the

District's policy and CFO Meyer noted that the State Auditor's Office is looking at record keeping for small and attractive assets across utility organizations statewide.

2. Financial Report

Chief Financial Officer Jon Meyer provided the Commission with a financial report for May, 2026.

3. CCA Auction Update

Chief Financial Officer Jon Meyer reported that the District participated in the recent Climate Commitment Act (CCA) auction and purchased 37,000 Vintage 2029 allowances at \$30 per allowance for a total of \$1.1 million. Vintage 2029 allowances cleared the auction at substantial discount to the Vintage 2026 allowances, which sold at \$65 per allowance. Discussion included Department of Ecology's changes to previous allowance allocations, anticipated future allocation information expected in October, ongoing Department of Ecology rulemaking efforts, and future consideration of allowance proceeds.

4. BPA Load Area Reinforcement Studies (Blake Scherer)

Manager Blake Scherer reported on BPA's Load Area Reinforcement Study (LARS) initiative following a June 15 BPA customer meeting. Discussion included BPA's proposed expansion of transmission planning from a 10-year to a 20-year planning horizon, the study's collaborative planning approach, and BPA's identification of the Tri-Cities region as a study area. Manager Scherer also discussed a proposed joint comment letter he drafted for the Tri-Cities utilities for submission to BPA to provide feedback regarding the study.

Chief Operating Officer - Chris Folta

1. Emergency Load Reduction

Chief Operating Officer Chris Folta provided an update on the District's Emergency Load Reduction Plan and ongoing preparation efforts. Staff reviewed the purpose of the plan, the requirements established under Resolution No. 2506, and the District's role in responding to BPA-directed load reduction requests during energy and transmission emergencies. Discussion included the differences between transmission and energy emergencies, load-shedding implementation, customer fairness and critical facility considerations, and ongoing efforts to update the plan, improve communications procedures, and conduct tabletop exercises. Chief Operating Officer Folta emphasized that emergency load shedding, including rolling blackouts, remains a low probability, last-resort measure intended to maintain system reliability, minimize customer impacts and prevent larger uncontrolled outages.

General Manager – Rick Dunn

1. John Day Dam Adult Salmon Delays

General Manager Dunn reported on concerns raised by the Public Power Council regarding delays in adult Chinook salmon passage at John Day Dam following implementation of court-ordered spill operations. GM Dunn reviewed graphical data that clearly shows a correlation between high spill levels and severe reductions in adult Chinook salmon passage rates through John Day Dam fish ladders. Additionally, he

discussed two media pieces included in the Columbia-Snake River Irrigators Association most recent board meeting packet that highlighted the dramatic difference in perspective on BPA's management of the federal hydro system and salmon recovery efforts, and how dam breaching advocates continue to insist there are easy ways to replace the Lower Snake River Dam power services and that breaching these dams would be a guaranteed path to salmon restoration upstream.

2. Federal System Firm Generation 1997/98 vs. OY 2027

General Manager Dunn reviewed historical and current federal hydropower generation forecasts, comparing BPA's 1997/98 Federal System firm energy forecasts with current Operating Year 2027 projections. Discussion highlighted massive reductions in firm energy capability during the spring and summer runoff period compared to historical forecasts and the sacrifice of thousands of megawatts of power generation that has occurred in federal system operations since 1997.

3. LSRD Replacement Study Comments

General Manager Dunn reviewed recent operating data for the Lower Snake River dams and their contribution to generation within the Federal Columbia River Power System. General Manager Dunn also reviewed information related to Washington State's \$800k funding of yet another Lower Snake River dam replacement study, noting that three publicly funded studies have been completed since 2022 and that there are currently no federal plans to breach the federally owned dams.

4. Renewable NW Sues DOD

General Manager Dunn informed the Commission of litigation filed by Renewable Northwest against the Department of Defense over a halt in permitting for utility-scale wind energy projects.

5. BPA Administrator Update – Travis Kavulla

General Manager Dunn updated the Commission that the U.S. Department of Energy officially named Travis Kavulla as the 17th Chief Executive Officer and Administrator of the Bonneville Power Administration on June 22, succeeding John Hairston.

6. Rate Increases – Regional Utilities

General Manager Dunn reviewed recent proposed electric rate increases by regional utilities, including Seattle City Light's planned 9.5 percent annual increases and Puget Sound Energy's proposed electric rate increases of 16.75 percent in 2027, 3.76 percent in 2028, and 8.81 percent in 2029.

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

Business Agenda

BPA Provider of Choice – Above Contract High Water Load Election

Manager Blake Scherer presented information regarding Benton PUD's upcoming BPA Above-CHWM load service election, which must be submitted to BPA by July 27, 2026. Staff reviewed the available election options, BPA's final Contract High Water Mark (CHWM) publication, and election requirements. Manager Scherer reiterated staff's recommendation to elect Option A (All

BPA Long-Term Tier 2 Rate), citing the District's relatively small forecasted Above-CHWM load, uncertainty in future load growth, lack of non-BPA generation resources, and ongoing regional resource adequacy concerns. Staff noted that the Draft 2026 Resource Plan assumes election of Option A and that formal Commission action is anticipated on July 14, 2026, in conjunction with adoption of the Resource Plan and authorization for the General Manager to submit the election to BPA.

Commissioner Sanders commented that the election represents one of the District's most important upcoming decisions and expressed appreciation for the information provided.

Financial Forecast and COSA Update

CFO Jon Meyer and Director Keith Mercer presented an updated financial forecast incorporating the revised load forecast and year-to-date financial results through April 2026. Discussion included financial impacts associated with the preliminary injunction affecting federal hydro system operations, forecasted rate scenarios, reserve levels, and long-term financial planning considerations. Staff discussed the current status of legal proceedings related to the preliminary injunction which added approximately \$85 million annually in costs for BPA to replace generation lost from additional spill. BPA's proposed supplemental rate proceeding to create a rate adder for this cost is on pause until their new Administrator has a chance to review. As BPA is well into the first year of the current three-year rate period, the proposed rate adder would collect three years of this cost over the remaining two years of the BPA rate period, and would add about \$4.75 million to the District's annual power supply expense. Staff noted that potential financial impacts from the preliminary injunction could increase annual rate increases for 2027 to 2029 from 2.5 percent to 4.0 percent. Staff emphasized the importance of maintaining liquidity compliance and reserve levels and noted that any future rate increases associated with court-ordered costs would be communicated to customers.

Staff also reviewed the results of the District's 2026 Cost of Service Analysis (COSA), including the District's projected revenue requirement and cost allocation among customer classes. Discussion included the relationship between COSA results, future rate design considerations, and the use of reserves. Staff noted the COSA provides a framework for evaluating cost recovery among customer classes.

Staff further reviewed the preliminary schedule for the District's 2026 bond issuance, including plans to issue a request for proposals for underwriting services. A Bond Issuance 101 presentation is also planned for a future Commission meeting.

Future Planning

General Manager Dunn reminded the Commission of Assistant General Manager/Senior Director Steve Hunter's retirement open house scheduled for Thursday from 2:00 p.m. to 5:00 p.m. in the District auditorium.

Adjournment

Hearing no objection, President Hall adjourned the meeting at 11:43 a.m.



Jeff Hall, President

ATTEST:



Mike Massey, Secretary

Signature Certificate



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Author: Cami McKenzie Creation Date: 14 Jul 2026, 07:26:54, PDT Completion Date: 14 Jul 2026, 20:16:40, PDT

Document Details:



Name: Commission Minutes - 2026-06-23 - Final Signed

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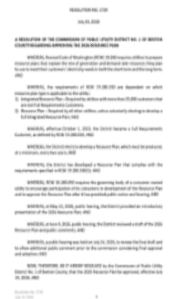


Name: Commission Voucher Report - 2026-07-14 - Final Signed

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Name: Resolution No. 2729 - 2026 Resource Plan - Final Signed

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Document Total Pages: 39



Name: Resolution No. 2730 - Succession of Authority General Manager Absence or Disability - Final Signed

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Name: Resolution No. 2731 - Governance of the Benton PUD Commission - 2026 - Final Signed

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Cami McKenzie created this envelope on 14 Jul 2026, 07:26:54, PDT

Invitation Sent	Invitation sent to Jeff Hall on 14 Jul 2026, 12:07:51, PDT
Invitation Sent	Invitation sent to Lori Sanders on 14 Jul 2026, 12:07:51, PDT
Invitation Sent	Invitation sent to Michael Massey on 14 Jul 2026, 12:07:51, PDT
Invitation Accepted	Invitation accepted by Jeff Hall on 14 Jul 2026, 12:30:55, PDT
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Invitation Accepted	Invitation accepted by Lori Sanders on 14 Jul 2026, 20:16:22, PDT
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