

MINUTES

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

Date: October 14, 2025

Time: 9:00 a.m.

Place: 2721 West 10th Avenue, Kennewick, Washington

Present: Commissioner Jeff Hall, President
Commissioner Lori Kays-Sanders, Vice-President
General Manager Rick Dunn
Senior Director of Finance & Executive Administration Jon Meyer
Assistant General Manager/Sr. Director Engineering & Operations Steve Hunter
Director of Power Management Chris Johnson
Director of IT & Broadband Services Chris Folta
Director of Customer Service and Treasury Keith Mercer
Supv. of Executive Administration/Clerk of the Board Cami McKenzie
Administrative Assistant Shannon Sensibaugh

Absent: Commissioner Mike Massey, Secretary, Excused

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, Senior Engineer Power Management; Duane Szendre, Superintendent of Operations; Eric Dahl, Communications Specialist II; Jennifer Holbrook, Senior Manager of Applied Technology; Jenny Sparks, Manager of Customer Engagement; Jodi Henderson, Manager of Communications & Government Relations; Katie Grandgeorge, Financial Analyst III; Karen Dunlap, Manager of Human Resources; Levi Lanphear, Procurement Administrator; Michelle Ness, Supervisor of Distribution Design; Michelle Ochweri, Manager of Procurement; Robert Inman, Superintendent of Transportation & Distribution; Robert Frost, Supervisor of Energy Programs; Tyson Brown, Procurement Specialist II; Kayla Sidwell, Senior Communications Specialist.

Call to Order & Pledge of Allegiance

Commissioner Massey was excused and attending the APPA Legal & Regulatory Conference.

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

No changes.

Public Hearing - 2026-2029 Clean Energy Implementation Plan – Preliminary Review

President Hall opened the public hearing and stated its purpose was to provide customers and stakeholders the opportunity to offer input during the preliminary review phase of the 2026-2029 Clean Energy Implementation Plan, prior to formal adoption.

Blake Scherer, Senior Engineer - Power Management presented the third public hearing on the preliminary plan, summarizing prior discussions and highlighting changes since the last review as follows:

- Updates were made related to Section 120 of the Clean Energy Transformation Act, specifically assessing funding levels for low-income energy assistance.
- The key change was to include \$940,000 per year in non-Benton PUD programs such as LIHEAP, SHEAP, DSHS, veterans' funds, and local church aid that contribute meeting energy assistance need targets.
- The updated chart now assumes \$2.8 million over the 2026-2029 CEIP period (\$700,000 per year) for Benton PUD's low-income conservation program.
- The Commerce Reporting Template has been updated with preliminary answers to all questions and is available for review by the public.

Commission Discussion

Commissioner Sanders noted the inclusion of non-Benton PUD programs as a significant change.

Mr. Scherer confirmed his expectation that the revised methodology is consistent with the wording and intent of the law, while also acknowledging that uncertainties remain until Benton PUD receives future guidance from either Commerce or ultimately the State auditor.

Commissioner Sanders raised a question regarding whether rate discounts would rise with inflation and rate adjustments, emphasizing the importance of maintaining consistent revenue percentages allocated to the program.

Director Mercer noted that historically the allocation has been around 0.5% of retail sales.

Mr. Scherer stated the plan will return for adoption at the fourth public hearing on October 28 and that submittal of public input through the webpage form remains open through October 16.

Public Testimony

No members of the public were present to testify. President Hall closed public comments and the hearing.

Business Agenda

Setting Public Hearing #4 - Consider Adoption of the 2026-2029 Clean Energy Implementation Plan

Senior Engineer Blake Scherer requested the Commission set the fourth public hearing for the 2026-2029 Clean Energy Implementation Plan.

MOTION: Commissioner Sanders moved to set a Public Hearing for the purpose of considering adoption of the 2026-2029 Clean Energy Implementation Plan on Tuesday, October 28, 2025, at 9:00 a.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 700 722 151#, and directing the General Manager to publish the notice of the public hearing date, time and location. Commissioner Hall seconded and upon vote, the motion carried unanimously.

Public Comment – Regular Agenda

None.

Treasurer's Report

Keith Mercer, Director of Customer Service & Treasury Operations, reviewed the September, 2025 Treasurer's Report with the Commission as finalized on October 1, 2025.

Consent Agenda

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

- a. Regular Commission Meeting Minutes of September 23, 2025
- b. Travel Report dated October 14, 2025
- c. Vouchers (report dated October 14, 2025) 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: 110964-111019 and 111175-111233 in the amount of \$2,218,005.69.
Checks & Customer Refund Payments (CHK): 90828-90919 in the amount of \$245,714.21;
Electronic Fund Transfer (WIRE) Payments: 7393-7411 in the amount of \$12,090,281.18;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$1,830.00;
Payroll: Direct Deposit – 9/25/2025: 111020-111174 in the amount \$468,555.59;
Grand total - \$15,024,386.67

- Voided DD (September, 2025) in the amount of \$7,378.74;
Voided checks (September, 2025) in the amount of \$1,597.63
- d. Work Order #733851 – Ridgeline Overhead Line Reconductor
 - e. Contract Award to TUPS, LLC for Purchase of #795 ACSR Drake Conductor Sunset-Dallas Contract #25-21-23
 - f. Contract Award to McWane, Inc. - Sunheaven #3 Transmission Project – Ductile Iron Poles - Contract #25-21-25
 - g. Ellerd, Hultgrenn & Dahlhauser, LLP – Legal Services - Contract #23-01-03 – CO #1

Management Report

Customer Service/Treasury – Director Keith Mercer

1. Pay-As-You-Go Update

Director Keith Mercer presented an update on the Pay-As-You-Go program as part of the District's broader customer engagement strategy, focused on providing choice, transparency, and barrier-free access to electricity. Two billing options were highlighted: the traditional monthly billing that includes a deposit and the Pay-As-You-Go option, where customers prepay for electricity, like refilling a gas tank. The program continues to support flexibility and customer control over usage and payments. As of October 12, 2025, 134 customers were enrolled. Improvement ideas discussed included enhancing onboarding, showcasing the Pay-As-You-Go program in the upcoming newsletter, and exploring system enhancements to improve the customer experience.

Engineering/Operations – Assistant General Manager/Senior Director Steve Hunter

1. Rattlesnake Ridge Update

In preparation for the Rattlesnake Construction Project, DJ's Construction and the District inspector conducted a site visit last week to mark construction boundaries to coordinate with utilities to identify existing underground infrastructure. Shortly after the inspection, a fire occurred in the vicinity of the project area, resulting in approximately 118 acres of primarily dry vegetation being burned. Local and state fire resources, including aerial support and hotshot crews, responded promptly and contained the fire. Construction activities have since commenced as scheduled.

IT & Broadband Services – Director Chris Folta

1. Fiber to Kennewick Traffic Signals

Broadband update: The City of Kennewick approached the District and NoaNET to potentially connect fiber-optic cable to 93 traffic intersections under its control. Currently, they have received some grant funding and have prioritized 17 intersections for the first phase of fiber construction (shown on the project map). The City will pay actual construction costs, estimated at \$242,000 and the District will receive revenues of \$50/site per month (\$850 monthly). The project supports upgraded video cameras and improved traffic signal operations. Overall, this is a solid project for the District that capitalizes on our vast fiber infrastructure deployed over the last 24 years. The traffic

signal fiber buildouts are expected to continue as additional grant funding becomes available to the City.

Finance/Executive Administration – Senior Director Jon Meyer

1. Strategic Plan Proposed Updates

Draft edits to the District’s Strategic Plan that were previously sent to the Commission were reviewed by Sr. Director Meyer. Staff will bring the Strategic Plan back to the Commission for adoption in November.

General Manager – Rick Dunn

1. CRSO Lawsuit, Letter to Gov. Ferguson & NWRP Ad Campaign

GM Dunn reported the plaintiffs in the ongoing Columbia River System Operations (CRSO) litigation intend to file motions for a preliminary injunction no later than October 14 requesting Judge Simon order defendants to implement year-round, 24/7 spill operations at federal dams. On October 8, the plaintiffs filed a joint objection to a federal request to stay the lawsuit until the federal shutdown has ended, requesting Judge Simon to expedite his consideration of whether to grant a stay. Judge Simon agreed to speed up the proceedings, giving federal defendants and other interested parties until October 13 to reply to the request not to stay the case and argue why a stay should be granted; they previously had until November 3. Northwest RiverPartners (NWRP) with support from Benton PUD and other members wrote a letter to Washington Governor Ferguson urging him not to join the lawsuit or support the injunction. In addition, NWRP launched a public campaign—including a Seattle Times front-page advertisement titled *“Let’s Talk, Not Fight about Hydropower & Salmon”*—to promote collaboration over litigation and emphasize the shared importance of clean energy, affordable power, and salmon recovery. Despite the efforts of NWRP and the Public Power Council, Washington joined the plaintiffs in the CRSO lawsuit which includes Oregon and 10 nonprofit groups. GM Dunn noted Washington’s stance has evolved over time, initially taking a position as a defendant-intervenor, then shifting to a neutral amicus (not taking sides) and now as a plaintiff-aligned amicus supporting those suing. Dunn noted the impacts of the injunctive relief motion would be severe in terms of the impacts of firm hydropower with a huge loss of annual energy and an unacceptable increase in the risk of blackouts.

2. Site-1 SMR Next Steps re: Conditions

GM Dunn spoke with Tracy Yount, Energy & Services Development Manager at Energy Northwest (EN), who confirmed that at EN’s October 23rd meeting, the Board will be voting on a set of required conditions that need to be met prior to final approval of the authorization to proceed with the SMR project which will be voted on in the Spring of 2026. Once the conditions have been agreed to, then EN will be able to show how the conditions will be satisfied. Benton PUD’s recommendation for EN to pursue an Enterprise Risk Management (ERM) approach using a heat map for formal risk assessment and mapping to mitigation method(s) was well received. Yount was also receptive to the idea of developing a Gantt chart view of the EN project and how it relates to the first-of-a-kind X-Energy SMR project being built in Texas which could then be used to denote key milestones and potential off ramps if needed.

3. Tri-City Herald Op-Ed Titled “*Meeting increasing demands for electricity*” by Steve Ghan, Jim Conca, and Matt Boehnke

In this piece, they make the case for new nuclear power by arguing electricity demand in the region is projected to double; wind and solar are cost effective when the wind blows and sun shines, but energy storage for times when they don’t is expensive; and the cost of natural gas generated electricity due to clean energy legislation is around \$85 per megawatt-hour. GM Dunn questioned the “cost effective” claims underscoring that intermittency and variability of wind and solar require overbuilding across large geographic areas and that extensive transmission lines are needed to connect remotely located generation from wind and solar farms to population centers (west of the Cascade Mountain range in the case of Washington and Oregon), and that after is all said and done, you still have to provide backup generation. As a consequence, the upfront capital costs are very high for wind and solar which are why retail electricity rates rise in spite of the “fuel” for wind and solar being free. Dunn stated he thought the Opinion piece was okay overall, but when making justification for nuclear, the focus should be on the long-game need for firm baseload capacity that complies with Washington’s carbon-free electricity mandates and that it’s important to recognize that baseload nuclear could take some pressure off hydropower as coal is retired and natural gas is being forced out of service.

4. Renewable Northwest County Advisory Meeting

GM Dunn reported he was invited by Nicole Hughes, Executive Director of Renewable Northwest, to provide a presentation on the Northwest Transmission System and Interconnected Power Grid to a consortium of counties across the northwest via Zoom. A representative with Puget Sound Energy also presented on their transmission system and challenges. Dunn said the message was well received and appreciated.

5. NWPPA Bulletin

Benton PUD’s *EmPOWERED* program was featured as the cover story of the October issue of the NWPPA Bulletin.

The Commission briefly recessed, reconvening at 10:35 a.m.

Business Agenda - Continued

T&R Electric Supply Company Inc. - Power Transformer District #31 Inspection Repair Contract #24-21-24 – CO #2

Duane Szendre, Superintendent of Operations, presented a contract change order with T&R Electric Supply Company, Inc. to add \$32,317.00 for the return shipping costs of the repaired transformer unit.

Bids were opened in January for inspection and possible repair of the District #31 power transformer, which was damaged by a thru fault on December 24, 2023. Only one bid was received, and T&R Electric was awarded the contract for \$30,000 to inspect and transport the unit to their South Dakota facility. Their estimated repair cost was \$200,000. Following inspection

and testing, a fault was found on the de-energized tap changer. Repair and reconditioning were quoted at \$169,317, with additional costs for shipping and handling.

The revised not-to-exceed amount for the contract is \$232,317.00 plus Washington State sales tax in accordance with RCW 54.04.080. The repair cost remains significantly below the alternatives of approximately \$1.3 million for a new transformer or \$500,000 per the original engineering estimate.

MOTION: Commissioner Sanders moved to authorize the General Manager on behalf of the District to sign Change Order #2 of Contract #24-21- 24, with T&R Electric Supply Company Inc. for Power Transformer District #31 Inspection & Repair, to increase the not-to-exceed amount by \$32,317.00 for return transportation of the unit, bringing the new not-to-exceed amount of the contract to \$232,317.00 plus Washington State sales tax in accordance with RCW 54.04.080 as presented. Commissioner Hall seconded, and upon vote, the motion carried unanimously.

Resolution No. 2708 – One-Time Schedule Change to Commission Meeting

Clerk of the Board Cami McKenzie presented a resolution to formalize the one-time schedule change to the regular Commission meeting from November 11, 2025 (Veterans Day holiday) to November 12, 2025.

MOTION: Commissioner Sanders moved to approve Resolution No. 2708, adopting a one-time schedule change to a regularly scheduled meeting of the Commission of Public Utility District No. 1 of Benton County from Tuesday, November 11, 2025, at 9:00 a.m. to Wednesday, November 12, 2025, at 9:00 a.m. The meeting shall be held at the Commission's regular meeting location, 2721 West 10th Avenue, Kennewick, Washington as presented. Commissioner Hall seconded, and upon vote, the motion carried unanimously.

Set Public Hearing – Preliminary 2026 Budget and Rate Increase

Director Keith Mercer requested the Commission set the public hearing on the preliminary 2026 budget and rate increase. He will provide a summary of the preliminary budget and draft rate schedule at the October 28, 2025 meeting and distribute budget packets to the Commission on November 6, 2025. The public hearing will be held on November 12, 2025, at 6:00 p.m. in the auditorium, public comment will close December 2, 2025, and adoption of the budget is planned for December 9, 2025.

MOTION: Commissioner Sanders moved to set a Public Hearing on the Preliminary 2026 Budget and rate increase for November 12, 2025, 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 647 406 974#, and directing the General Manager to publish the notice of the public hearing date, time and location. Commissioner Hall seconded, and upon vote, the motion carried unanimously.

Senior Director Jon Meyer presented a postcard to be mailed to all customers notifying them of the public hearing and proposed rate increase; a copy was provided to the Commission.

Resolution No. 2709 – Bonneville Power Administration – Execution of Power Sales Agreement – Provider of Choice Contract #26PS (Benton PUD Contract #25-51-02)

Director Chris Johnson presented Resolution No. 2709 authorizing execution of the Bonneville Power Administration (BPA) Load Following Power Sales Agreement – Provider of Choice Contract for the period October 1, 2028 through September 30, 2044. The District currently purchases power from BPA under a Regional Dialogue Load Following contract that expires on September 30, 2028.

This contract secures Benton PUD's participation in BPA's Load Following product, with an estimated not-to-exceed amount of \$1.4 billion for the full term.

Director Johnson noted that through this agreement Bonneville Power will continue to provide the District with energy from its reliable, low cost and largely carbon free generation. He emphasized that the Provider of Choice contract reflects broad regional engagement and collaboration from across the Northwest.

General Manager Dunn commented on the significance of the agreement, calling it a "serious contract" that positions the District for the post-2028 energy landscape. Benton PUD will continue with the Load Following option, which includes flexibility for potential non-federal resource integration in the future.

Commissioner Massey (absent) has expressed no opposition, and the Commission agreed the contract is a positive milestone. Commissioners noted the importance of celebrating this achievement and maintaining strong ties with BPA moving forward.

MOTION: Commissioner Sanders moved to adopt Resolution No. 2709 to execute in substantially the form presented the Power Sales Agreement – Provider of Choice Contract (Benton PUD Contract #25-51-02) with Bonneville Power Administration (BPA) for a term of October 1, 2028, through September 30, 2044, and a total estimated not to exceed amount of \$1.4B. Commissioner Hall seconded and upon vote, the motion carried unanimously.

Future Planning

Energy NW - New Member Forum Tour

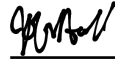
Commissioner Sanders indicated she would be attending the tour.

October 28, 2025 Meeting

Commissioner Sanders indicated she may have to call in for that meeting.

Adjournment

Hearing no objection, President Hall adjourned the meeting at 10:58 a.m.



Signer ID: IJH5POAK16...

Jeff Hall, President

ATTEST:



Signer ID: RERIBPME16...

Mike Massey, Secretary