

## MINUTES

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

Date: March 24, 2026

Time: 9:00 a.m.

Place: 2721 West 10<sup>th</sup> 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 Engineering & Operations Steve Hunter  
Chief Financial Officer Jon Meyer  
Chief Operating Officer Chris Folta  
Director of IT & Broadband Services Jennifer Holbrook  
Director of Human Resources and Communications Karen Dunlap  
Director of Conservation & Distributed Energy Resources Chris Johnson  
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

**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; Eric Dahl, Communications Specialist II; Jenny Sparks, Manager of Communications & Customer Engagement; Jodi Henderson, Manager 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; Robert Inman, Superintendent of Transmission & Distribution; Robert Frost, Supervisor of Energy Programs; Shanna Everson, Distribution Designer; Shannon Sensibaugh, Administrative Assistant, II; Tyson Brown, Procurement Specialist II; Zach Underhill, Distribution Designer; Camron Smith, Engineer.

#### **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 “i”. Commissioner Massey seconded and upon vote, the Commission unanimously approved the following:

- a. Regular Commission Meeting Minutes of March 10, 2026
- b. Travel Report dated March 24, 2026
- c. Vouchers (report dated March 24, 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: 113713-113749 and 113905-113939 in the amount of \$1,092,947.16.  
Checks & Customer Refund Payments (CHK): 91824-91893 in the amount of \$329,829.83;  
Electronic Fund Transfer (WIRE) Payments: 7545-7553 in the amount of \$441,080.04;  
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$950.00;  
Payroll: Direct Deposit – 3/12/2026: 113750-113904 in the amount \$443,299.19;  
**Grand total - \$2,308,106.22**
- d. Quit Claim Deed – 8<sup>th</sup> & Auburn, Kennewick, WA
- e. Work Order No. 731506 – Urban Trails Phase 2
- f. Contract Change Order #12 – BCES – Contract #16-33-02
- g. Contract Award – 2026 Foundation for Water & Energy Education Interlocal Agreement – Contract #26-12-04
- h. Contract Award – Insight Public Sector – Solarwinds – Contract #26-15-03 - (WA State Contract #14922)
- i. Contract Award Recommendation – Washington State Auditor’s Office – Letters of Agreement - Contract #26-14-01

## **Management Report**

### ***HR/Communications– Director Karen Dunlap***

#### **1. Prosser Outage**

Jenny Sparks, Manager of Communications & Customer Engagement, reported that extensive outreach efforts are underway for the upcoming Prosser outage. Communications include bilingual postcards and radio announcements, reader boards, and direct outreach to key accounts via email, phone, and in-person contact. Critical need and life support customers have been identified and notified, with information provided on available resources, including the Prosser Hospital. Additional outreach includes SmartHub notifications, a dedicated webpage with preparation information, homepage

alerts, and advertisements in the Prosser Record Bulletin. Coordination has also been established with the local school district to distribute information to families, as well as with emergency services, the Red Cross, and other community partners. Staff will also conduct additional in-person outreach in the community.

***IT/Broadband – Director Jennifer Holbrook***

**1. NoaNet – Bigfoot Communications Update**

Director Jennifer Holbrook reported that NoaNet unanimously approved the resolution to admit Bigfoot Communications as a member, and the Interlocal Agreement was executed by General Manager Dunn and other participating parties. NoaNet now has a total of 11 members.

***Engineering/Operations - Assistant General Manager/Senior Director Steve Hunter***

**1. Benton City Outage**

Assistant GM/Senior Director Steve Hunter reported on the Benton City outage caused by high winds on March 12, 2026, with speeds reaching approximately 100 mph on Rattlesnake Mountain and the mid-60 mph range in Benton City. Approximately 470 customers were affected by the BEC-3 feeder, and 1,100 Benton PUD customers total.

***Chief Financial Officer - Jon Meyer***

**1. Financial Report**

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

***General Manager – Rick Dunn***

**1. Seattle City Light Skagit Hydro**

The General Manager reported on Seattle City Light’s Skagit hydro system, noting the historical development of Gorge Dam (1924) and Diablo Dam (1936), which blocked fish passage. Seattle City Light currently serves approximately half of its load with its own hydro resources, with the remainder supplied by BPA. Ongoing discussions with tribes have been contentious, and there is now a proposed settlement estimated at \$4 billion. Proposed mitigation measures include trap-and-haul fish passage and an estimated \$1.9 billion capital investment. Rate impacts are projected at 0.5 percent annually from 2027 through 2032; however, costs beyond that period remain uncertain and may result in additional future rate increases.

**2. Williams Natural Gas Pipeline**

The General Manager reported on proposed Williams natural gas pipeline projects, which would add approximately 300 miles of new gas pipeline to Washington, including potential routes along the Columbia River Gorge and into Grant County of Washington. This proposal has generated concern among the typical so-called environmental groups like Columbia Riverkeepers which opposes hydropower, nuclear and natural gas power generation while remaining silent about land-intensive wind and solar farms. General Manager pointed out that Riverkeepers was quoted as saying “new gas is not welcome in the Pacific Northwest” and that the federal administration is full of “fossil fuel fanatics”.

This is not a helpful perspective given the increasing risk of blackouts in the Northwest and the gas-electric coordination efforts being undertaken by utilities who have indicated the need for new natural gas pipeline capacity, and the role new clean-burning natural gas infrastructure can have in meeting Washington and Oregon aggressive carbon reduction mandates and goals.

**3. Oregon Fast-Tracking Renewable Energy Projects**

The General Manager reported that Oregon is moving to fast-track renewable energy projects. Under recent actions by Governor Kotek, qualifying projects may bypass traditional site certification requirements from the Oregon Energy Facility Siting Council if certain criteria are met, creating a pathway for projects to proceed in time to qualify for federal tax credits. General Manager pointed out the inconsistency in Kotek’s messaging when she claims wind and solar are a low-cost solution for meeting “climate goals” but that she is willing to shortcut environmental and local permitting processes in order to ensure Oregon projects can be funded by taxpayers from other states, and that this is “critical” to the success of the proposed builds.

**4. Washington Transmission Authority**

General Manager Dunn reported that legislation establishing a Washington Transmission Authority has officially passed. He had expressed support for this legislation, not because he believes the state is competent and is likely to be successful, but because he wants the State to “own its own policies” and be forced to engage in the “dirty business” of exercising eminent domain, which always accompanies construction of high-voltage transmission lines. The State should be forced to make the case for transmission lines needed to meet aggressive carbon reduction mandates and that the interests of citizens within the state and in other states must be sacrificed for the “better good” of the public.

**5. Columbia Basin Badger Club Forum**

General Manager Dunn reported that he will participate as a panelist in an upcoming Badger Club forum on Thursday which will address “Our Power Future”. His presentation will focus on the fact firm hydropower is already spoken for and that the 10 average megawatt new-large-single-load (NLSL) limitations of BPA makes it difficult to impossible for Tri-Cities utilities to compete for additional industrial, manufacturing and data-center demand which is also made exponentially more difficult by Washington’s 100% carbon-free electricity mandate. The event will be held at the Richland Library, with doors opening at 11:30 a.m.

**Business Agenda**

**White Creek Wind I, LLC - Agreement to Waive Purchase Option; Contract #08-51-19, CO #2**

Blake Scherer, Manager of Power Supply & Transmission Service, indicated that in 2008, the Commission approved agreements for the White Creek project, including the Asset Purchase Option Agreement (AOPA), which provided Benton PUD and five other parties with the option to purchase the project in 2027.

The project owner has proposed a buyout to terminate the AOPA. Since becoming a BPA Load-Following customer, the District has not relied on White Creek energy to serve load and planned to exit the contract upon its expiration in 2027. All six Optionholders have agreed to waive the purchase option and terminate the AOPA. In exchange, the Optionholders will receive a one-time payment of \$5,000,000.00. The District's 3% share is \$150,000.00.

**MOTION:** Commissioner Massey moved to authorize the General Manager on behalf of the District to sign substantially the form presented, Agreement to Waive Option at Year 20 and to Terminate Asset Purchase Option Agreement related to the terms of Contract #08-51-19 with White Creek Wind I, LLC; CO #2. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

### **Revising Power Risk Management and Trading Policies; Resolution No. 2721**

Blake Scherer, Manager of Power Supply & Transmission Service, presented Resolution No. 2721 adopting the Revised Power Risk Management and Trading Policies.

The District maintains Power Risk Management and Trading Policies to guide management of its power supply resources and market activities. These Policies, administered by the Risk Management Committee (RMC), were last updated in August 2023.

Recent organizational changes effective March 2, 2026 require updates to reflect revised job titles, RMC membership, and minor administrative edits.

**MOTION:** Commissioner Sanders moved to adopt Resolution No. 2721 revising the District's Power Risk Management and Trading Policies in substantially the form presented. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

### **BPA Provider of Choice-Above Contract High Water Mark Load Election**

Blake Scherer, Manager of Power Supply & Transmission Service, provided an informational presentation on the BPA Provider of Choice Above-CHWM Load Election, including Benton PUD's resource plan, Tier 1 and Tier 2 power structure, retail load electrification scenarios, and the election timeline.

Manager Scherer reported that in October, 2025, the Commission authorized execution of Provider of Choice Load Following Power Sales Agreement with BPA for a term of service from 2028-2044, including authority to take necessary implementation actions.

On February 11, 2026, BPA issued guidance to assist customers in making their upcoming Above-CHWM Load service election. The District is required to submit its election within 60 days of the final CHWM publication. The currently anticipated submittal deadline is July 14, 2026, assuming no dispute resolution.

Staff reviewed available election options (A-D), key changes, and planning considerations. Based on current analysis and the District's resource plan, staff indicated a preference for Option A, under which all Above-CHWM Load would be served with Firm Requirements Power at the Tier 2 Long-Term Rate. This item was presented for information only and staff will return at a future meeting with a recommendation and request for Commission authorization for the General Manager to execute the election.

The Commission recessed at 10:38 a.m., reconvening at 10:50 a.m.

### **Review Final 2025 Annual Financial Report**

CFO Jon Meyer and Manager Kent Zirker reviewed the District's 2025 Annual Financial Report. The audit, conducted by Baker Tilly US, LLP, resulted in an unmodified (clean) opinion issued on March 16, 2026, earlier than in prior years.

Staff highlighted key components of the report, including the financial statements, note disclosures, MD&A, and statistical section, with discussion of net income, long-term liabilities, power purchase obligations, self-insurance, and pension reporting. Additionally, the District recently received its 23rd consecutive GFOA Certificate of Achievement for Excellence in Financial Reporting. An exit conference with the auditors is scheduled for April 14, 2026.

### **Financial Forecast**

Chief Financial Officer Jon Meyer and Director of Customer Service and Treasury Keith Mercer presented a financial forecast based on 2025 actual results, the 2026 approved budget, and year-to-date actuals through February. The presentation also included a review of the District's financial policies and the draft schedule for the 2026 bond issuance.

Staff reviewed forecast scenarios with and without impact from the recent preliminary injunction regarding the Columbia River System Operations (CRSO) litigation. Preliminary estimates indicate potential wholesale power cost impacts that could result in an approximate 2.5% to 3.5% retail rate increase beginning in 2027.

Key discussion points included net power costs, updated forecast assumptions, and financial policy metrics. Staff emphasized the importance of maintaining liquidity compliance and adequate reserves, noting that power cost variability and BPA financial policies may significantly influence future rates.

Staff also outlined plans to move forward with a bond issuance in 2026 and will continue to monitor conditions and update the Commission throughout the year.

**Future Planning**

**WPUDA Annual Meeting**

General Manager Dunn said that he will be forwarding a dinner invitation for the WPUDA Annual meeting to the Commission.

**April 14, 2026 Meeting**

It was noted that Commissioners Massey and Sanders will participate remotely via Teams.

**Executive Session – Review Performance of Public Employee**

The Commission went into an executive session at 11:37 a.m. with General Manager Rick Dunn and Director of Human Resources and Communications Karen Dunlap for 10 minutes to review the performance of a public employee. The Commission came out of executive session at 11:45 a.m.

**MOTION:** Commissioner Sanders moved to approve Resolution No. 2723 approving the employment agreement with General Manager as presented. Commissioner Massey seconded and upon vote, the motion carried.

**Resolutions**

- No. 2721 – Revising Risk Management and Trading Policies
- No. 2723 - Approving the Employment Agreement with General Manager

**Adjournment**

Hearing no objection, President Hall adjourned the meeting at 11:47 a.m.



\_\_\_\_\_  
Jeff Hall, President

ATTEST:



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Mike Massey, Secretary

# Signature Certificate



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Author: Cami McKenzie      Creation Date: 14 Apr 2026, 13:31:23, PDT      Completion Date: 15 Apr 2026, 14:21:50, PDT

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Name: Commission Voucher Report 2026-04-14

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Document Total Pages: 23



Name: Resolution No. 2724 - Naming the Operations Building in Honor of Steve Hunter - 2026-04-14

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## Document Signed By:

Name: Jeff Hall  
Email: jhall@bentonpud.org  
IP: 131.150.249.115  
Location: PROSSER, WA (US)  
Date: 14 Apr 2026, 13:36:07, PDT  
Consent: eSignature Consent Accepted

Security Level: Email  
Name: Michael Massey  
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IP: 2607:fb90:87e2:a326:bcbb:7ac:4d04:7378  
Location: LAS VEGAS, NV (US)  
Date: 14 Apr 2026, 15:37:13, PDT  
Consent: eSignature Consent Accepted  
Security Level: Email  
Name: Lori Sanders  
Email: lsanders@bentonpud.org  
IP: 2607:fb91:2047:cece:d471:3459:bd3c:ad9d  
Location: LAS VEGAS, NV (US)  
Date: 15 Apr 2026, 14:21:50, PDT  
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Signed Document(s)	Link emailed to jhall@bentonpud.org
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