

MINUTES

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

Date: November 25, 2025

Time: 9:00 a.m.

Place: 2721 West 10th Avenue, Kennewick, Washington

Present: Commissioner Jeff Hall, President (via MS Teams)
Commissioner Lori Kays-Sanders, Vice-President
Commissioner Mike Massey, Secretary
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
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, Senior Engineer Power Management; Dax Berven, Senior Engineer; Duane Szendre, Superintendent of Operations; Eric Dahl, Communications Specialist II; Evan Edwards, Manager of System Engineering; Jennifer Holbrook, Senior Manager of Applied Technology; Jodi Henderson, Manager of Communications & Government Relations; Katie Grandgeorge, Financial Analyst III; Karen Dunlap, Manager of Human Resources; Kent Zirker, Manager of Accounting; Michelle Ness, Supervisor of Distribution Design; Michelle Ochweri, Manager of Procurement; Paul Holgate, Cyber Security Engineer III; Robert Inman, Superintendent of Transportation & Distribution; Shanna Everson, Distribution Designer; Shannon Sensibaugh, Administrative Assistant, II; Tyson Brown, Procurement Specialist II; Zach Underhill, Distribution Designer; Jeff Vosahlo, Engineering; Kayla Sidwell, Sr. Communications Specialist.

Call to Order & Pledge of Allegiance

Vice-President Sanders called the meeting to order. President Hall participated via MS Teams. The Commission and those present recited the Pledge of Allegiance.

Agenda Review

No changes.

Public Comment

None.

Consent Agenda

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

- a. Regular Commission Meeting Minutes of November 12, 2025
- b. Travel Report dated November 25, 2025
- c. Vouchers (report dated November 25, 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: 111882-111943 in the amount of \$702,008.43.
Checks & Customer Refund Payments (CHK): 91258-91303 in the amount of \$122,337.32;
Electronic Fund Transfer (WIRE) Payments: 7434-7446 in the amount of \$7,785,958.53;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$590.00;
Payroll: Direct Deposit – 11/6/2025: 111713-111881 in the amount \$484,500.41;
Grand total – \$9,095,394.69
Voided checks (November 2025) in the amount of \$515.79
- d. Conservation Rebate Report – 3rd Quarter 2025
- e. Contract Award to Benton-Franklin Community Action Connections (CAC)/
Low Income Energy Conservation Program Contract #25-45-212

Management Report

Power Management – Director Chris Johnson

1. Solgen - Going of Business Update

Director Johnson provided an update on a local rooftop solar company upcoming closure and the status of customer-owned solar systems in the Districts service area. He reported the District now has 1,308 total solar customers, representing nearly 11 MW of installed capacity. He informed the Commission that Solgen is going out of business as of January, and it is currently facing a variety of legal challenges. Within the Districts service area, Solgen completed 514 installations, and a concern going forward is how customer warranty or servicing issues will be handled for affected customers.

Customer Service/Treasury – Director Keith Mercer

1. Public Hearing/Financial Forecast Updates

a. Public Hearing Recap

Director Mercer reported that 26 customers attended, with six providing comments. One had technical issues but later showed up to the meeting and he spoke with him. An

additional written comment was submitted via email. A staff member followed up directly with each commenter that provided contact information, speaking with two and leaving messages for two others. Overall feedback was positive, with customers expressing appreciation for the level of detail, professionalism, and the time taken to present information clearly.

b. Budget & Financial Forecast Updates

Mr. Mercer reviewed updates to the financial forecast, highlighting changes to Net Power Costs (NPC), which increased by \$1.7 million, from \$85.3 million to \$87.0 million, largely driven by the Financial Reserve Policy (FRP) Surcharge announced at the November 13, 2025 BPA Quarterly Business Review. The surcharge impacts the District by approximately \$0.2 million in 2025 and \$1.3 million in 2026, for a total of \$1.5 million. The other part of the increase was additional renewable energy credit (REC) purchases in 2026, noting the REC strategy has changed.

Director Mercer noted the 2025-2029 forecast updates as follows: primary change was the \$1.8 million NPC increase, 2.0% retail rate increase in 2026, a \$32 million bond in 2026, with projected cash-on-hand of 123 days in 2029.

Director Mercer presented the following potential rate strategies:

- Scenario 1 – No rate increases in 2027
 - Achievable but would require a \$4 million reduction in capital spending from 2027–2030 (\$1 million per year).
- Scenario 2 – 0% increases every other year
 - Example: A 5% increase in 2028 and 3.5% in 2030 and includes a \$4 million reduction in capital spending.

Commissioners all expressed interest in maintaining small, consistent annual increases. Commissioner Sanders also emphasized support for senior customers, with interest in reducing barriers to the senior discount program.

2. Veteran's Assistance

Director Mercer reported on discussions with Kristopher Dahir, Executive Director of the Columbia Basin Veterans Center. Mr. Dahir has been meeting with local utilities to better understand their assistance and disconnection processes. He may be invited to a future Commission meeting to further discuss veteran support efforts.

IT & Broadband Services – Director Chris Folta

1. NoaNet Update

Director Folta reported that the NoaNet Board of Directors will again be considering changes to NoaNet's charter documents related to membership eligibility. He noted that in September, the Commission authorized Benton PUD's representative to approve changes to NoaNet's charter documents, including expanding membership to other public agencies, and authorized actions related to adding Broadlinc as a member.

Director Folta further reported that the Colville Confederated Tribes, operating as Bigfoot Communications, have expressed interest in becoming a NoaNet member. In December, the NoaNet Board will consider resolutions to restate the current interlocal cooperative agreement to expand membership eligibility to tribal agencies and to recommend adding Bigfoot Communications as a member. To address legal concerns, the Tribe would need to agree to a limited waiver of sovereign immunity specific to NoaNet's charter documents.

If the NoaNet Board resolutions are approved and the Tribe agrees to the waiver, the revised documents will be brought back to the Commission in January for approval and for authorization of the General Manager to execute them. A subsequent membership vote by NoaNet Member Representatives is anticipated at a special meeting, likely in February 2026. Director Folta stated that no additional risks have been identified, the overall risk is considered low, and that expanded membership aligns with NoaNet's strategic direction.

Finance/Executive Administration – Senior Director Jon Meyer

- 1. Financial Report** - Senior Director Jon Meyer provided the Commission with a financial report for October, 2025.
- 2. BPA Residential Exchange Program Update**
Director Meyer reported that BPA has paused the Residential Exchange Program public engagement process to allow time to explore a potential settlement concept. Public Power coordinated with trade associations to submit a response last week; while they noted some concerns, they agreed there was merit in pausing the process to discuss a settlement. BPA has not yet indicated the position of the investor-owned utilities.

General Manager – Rick Dunn

- 1. Designation of Representatives**
Clerk of Board Cami McKenzie provided the Commission with a draft Designation of Representatives for 2026 and asked Commissioners to bring back any changes for discussion at the next meeting.
- 2. ENW Cascade SMR Final Approval Schedule**
General Manager Dunn received an email from Jacquelyn Eutsey of Energy Northwest requesting information on when the Commission plans to vote on the Cascade SMR. Energy NW is surveying all 29 Energy NW members regarding their schedules for obtaining approval to vote yes or no on the SMR project in May 2026. It was recommended the Commission adopt a formal motion before Commissioner Massey participates in that vote. Chris Johnson will serve as the point of contact as staff reviews the conditions and gathers additional information.
- 3. NERC Winter Reliability Warning**
General Manager Rick Dunn reported that the latest NERC Winter Reliability Assessment shows the Pacific Northwest is now at an elevated risk for winter blackouts, a shift from last year's more favorable outlook. Contributing factors include limited natural gas pipeline capacity, higher peak winter demand, and growing load-resource imbalances.

4. WSAC Speaking Engagement Highlights

GM Dunn reported on his presentation to the Washington State Association of Counties Columbia River Caucus in Spokane regarding the current state of hydropower and transmission. Other speakers included Glenn Blackmon, Director of the Energy Policy Office at the Washington Department of Commerce, who emphasized the State's Comprehensive Climate Action Plan and a continued commitment to electrification and the need for importing wind and solar power from outside the state through interstate transmission lines. Blackmon also emphasized "environmental justice" and "energy justice" as top priorities with tribal interest being the highest consideration. Governor Ferguson's energy policy advisor Kate Brouns also spoke, providing the governor's top three priorities which include (1) transmission line builds, (2) expediting siting and permitting of clean energy within the state, and (3) dealing with the impacts of data center growth. GM Dunn noted that concerns with data center development continue to overlook that fact that firm hydropower is already spoken for and that Bonneville Power Administration (BPA) utility customers cannot serve data center loads with low-cost hydropower due to the 10 average megawatt new-large-single-load (NLSL) constraint. Dunn also noted that the "analysis paralysis" BPA is experiencing with their transmission interconnection queue is a direct result of Washington and Oregon's overly aggressive carbon reduction strategies combined with overly generous federal tax subsidies which overwhelmed BPA's processes with wind and solar developer requests for interconnection. Additionally, Dunn noted that Yakama Nation representatives presented after Mr. Blackmon expressing deep concern for the environmental impacts of data centers and to avoid the "harms of the past" they want tribal interests to be front-and-center when it comes to energy facilities development. Dunn expressed frustration that highly land-intensive wind and solar farms are the foundation of Washington's energy strategy and that land-use impacts are unavoidable if these are your base technologies, particularly when you consider the ceded lands of the tribes which cover most of the state and the need for extensive transmission line buildouts. Dunn also added that Glenn Blackmon dropped out of the meeting as a remote participant prior to his presentation (which Dunn gave in person) as it would have been beneficial for Blackmon to hear his points.

5. December 23, 2025 Meeting

Staff noted there are no items that need to come before the Board and the plan is to cancel that meeting.

The Board briefly recessed, reconvening at 10:25 a.m. Commissioner Jeff Hall left the meeting.

Business Agenda

Citibank Merchant Services - ICO #10 - Contract #16-16-02

Director Keith Mercer provided an update on credit card fees associated with the District's contract with Citibank Merchant Services. The District is enrolled in the Visa Utility Program, which offers reduced processing costs because utilities are classified as low-risk merchants, and

interchange fees are passed through the program. A key restriction of the program is that the District may not charge customers a convenience fee, resulting in the District absorbing all the processing costs. The presentation also outlined historical cost details.

Director Mercer requested the Commission approve the contract extension with Citibank Merchant Services to extend the contract to December 31, 2026 and increase the amount by an additional \$450,000.00.

MOTION: Commissioner Massey moved to authorize the General Manager on behalf of the District to sign Contract #16-16-02 – ICO#10 with Citibank Merchant Services, to extend the term of the contract to December 31, 2026, and increase the not-to-exceed amount by \$450,000.00 for a new not-to-exceed amount of the contract to \$4,024,000.00. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

Contract Award Recommendation - National Information Solutions Cooperative (NISC) – Contract #25-18-08

Senior Manager Jennifer Holbrook presented an overview of the District’s transition to and continued use of NISC. She explained that the District’s pre-2015 “best of breed” software approach, while high performing, was expensive and difficult to integrate. NISC, a cooperative designed for utilities, provides a fully integrated system with improved cost efficiency. She also outlined what the contract covers, including software, bill print and postage, customer communications, credit card fees, professional services, and tools for tracking all costs and matching invoices for payments.

MOTION: Commissioner Massey moved to authorize the General Manager on behalf of the District to sign Contract #25-18-08 with NISC, to track all costs and match up invoices for payment for a not-to-exceed amount of \$955,000.00 plus Washington State sales tax, with an expiration date of December 31, 2026. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

Contract Award to Riverline Power - Sunheaven #3 Transmission Line Construction Project – Contract Award – Bid #25-21-27

Manager Evan Edwards presented the contract award recommendation to Riverline Power for the Sunheaven #3 Transmission Line Construction Project. He reported that five bids were received and confirmed that the construction schedule aligns with the planned energization date of August, 2026. He also noted that all required materials are expected to arrive before construction begins, except for one item still pending delivery.

MOTION: Commissioner Massey moved to authorize the General Manager on behalf of the District to sign Contract #25-21-27 for Sunheaven #3 Transmission Line Construction Project to Riverline Power of Ridgefield, WA for a not to exceed amount of \$1,049,975.52 plus Washington

State sales tax in accordance with RCW 54.04.080. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

DJ's Electrical Inc-Cable Replacement, CO#7-Contract #23-21-26

Manager Evan Edwards presented Change Order #7 with DJ's Electrical Cable to extend the contract to December 31, 2026 (final extension) and increase the amount by \$2,206,827.00. The budget includes \$1,035,609.00 for NESC Joint Use Compliance and \$1,171,218.00 for cable replacement.

MOTION: Commissioner Massey moved to authorize the General Manager on behalf of the District to Sign CO#7 to extend Contract #23-21-26 Cable Replacement/ NESC Joint Use Compliance & Special Projects with DJ's Electrical Inc. to December 31, 2026, and increase the Not to Exceed (NTE) Amount by \$2,206,827.00 for a new NTE amount of \$7,070,481.00. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

State of the System Presentation

Steve Hunter, Assistant GM/Sr. Director of Engineering & Operations and Evan Edwards, Manager of System Engineering, presented the Fall 2025 State of the System update. The presentation emphasized ongoing efforts to maintain system reliability, safety, and regulatory compliance.

Key highlights included:

- Joint Use NESC Compliance Program and Quality Assurance Programs: Progress was reported on NESC compliance efforts, including pole inspections, violations, and corrections. Updates were also provided on Quality Assurance efforts through 20204-025 work order inspections.
- Reliability Initiatives: staff reviewed ongoing reliability work, including underground cable replacement projects, wildfire mitigation activities, and SCADA RTU upgrade progress.
- Maintenance Activities: The 5-Year Inspection Program identified 43 items in 2025, with repair work being prioritized as low, medium, or high. Additional maintenance updates included pole testing performed on a 10-year rotation, the power transformers wellness program, substation transformer testing (completed every 6 years), breaker and regulator maintenance, and an overview of SCADA RTU upgrade schedules and progress.

Meeting Reports


Commissioner Sanders reported that she has been reviewing information from the State's Electric Vehicle Committee and expressed surprise that the State is still moving ahead on this issue.

Closed Session

The Commission entered a closed session at 11:25 a.m. to discuss collective bargaining matters with General Manager Rick Dunn for approximately 10 minutes. The Commission came out of closed session at 11:50 a.m.

Adjournment

Hearing no objection, Vice-President Sanders adjourned the meeting at 11:50 a.m.

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Lori Sanders, Vice-President

ATTEST:

Signed by:

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Mike Massey, Secretary