

MINUTES

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

Date: September 23, 2025

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
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: Blake Scherer, Senior Engineer Power Management; Duane Szendre, Superintendent of Operations; Evan Edwards, Manager of System Engineering; Jennifer Holbrook, Senior Manager of Applied Technology; Jenny Sparks, Manager of Customer Engagement; Katie Grandgeorge, Financial Analyst III; Karen Dunlap, Manager of Human Resources; Michelle Ochweri, Manager of Procurement; Paul Holgate, Cyber Security Engineer III; Robert Inman, Superintendent of Transportation & Distribution; Robert Frost, Supervisor of Energy Programs; Tyson Brown, Procurement Specialist II; Zach Underhill, Distribution Designer; Jody George, HR Generalist III; Roxie Weller, Admin Assistant II, Power Management; Kayla Sidwell, Sr. Communications Specialist; Kristen Demory, Customer Service Business Analyst III.

Call to Order & Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

No changes.

Public Hearing - 2026-2029 Clean Energy Implementation Plan - Draft Review

President Hall opened the public hearing and stated its purpose was to provide customers and stakeholders the opportunity to share input with the District as it develops the 2026-2029 Clean Energy Implementation Plan, prior to its adoption.

Blake Scherer, Senior Engineer- Power Management, stated this was the second of four planned public hearings. He reviewed the CEIP draft and highlighted the following key areas:

- CETA Standards and CEIP Requirements – overview of the Clean Energy Transformation Act (CETA), coal elimination by 2025, greenhouse gas neutrality by 2030, and 100% clean electricity by 2045.
- Resource Plan and Clean Energy Forecast – CEIP must be consistent with the most recent 2024 Resource Plan; proposed 95% clean electricity target for 2026–2029.
- Specific Actions and Alternative Compliance – currently at 100% compliance so there is no incremental resource actions planned.
- Named Communities and Environmental Health Disparities (EHD) Map Data – identification of highly impacted and vulnerable populations as defined by statute.
- Equity Actions and Metrics / Energy Assistance – programs to reduce household energy burden, including low-income energy conservation measures and energy assistance forecasting.
- Public Input Process – hearings and online options to gather community feedback.

Mr. Scherer also noted the presentation was posted on the Benton PUD website for public access.

Public Testimony

The following public comment was received via the website:

Richard Stemsen, Kennewick, expressed opposition to the clean energy law, stating it was a waste of money.

As there was no one present to testify, public comments and the hearing were closed.

Business Agenda

Setting Public Hearing #3 - 2026-2029 Clean Energy Implementation Plan

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

MOTION: Commissioner Sanders moved to set a Public Hearing for the purpose of receiving input on the 2026-2029 Clean Energy Implementation Plan on Tuesday, October 14, 2025, at 9:00

a.m., to be held at the District's Administration Office located at 2721 West 10th Avenue, Kennewick, Washington, as presented. Commissioner Massey seconded and upon vote, the motion carried unanimously.

Public Comment – Regular Meeting

None.

Consent Agenda

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

- a. Regular Commission Meeting Minutes of September 9, 2025
- b. Travel Report dated September 23, 2025
- c. Vouchers (report dated September 23, 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: 110743-110774 and 110929-110963 in the amount of \$1,712,922.03.
Checks & Customer Refund Payments (CHK): 90740-90827 in the amount of \$84,626.10;
Electronic Fund Transfer (WIRE) Payments: 7388-7392 in the amount of \$86,078.15;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$910.00;
Payroll: Direct Deposit – 9/11/2025: 110775-110928 in the amount \$450,116.29;
Grand total - \$2,334,652.57
- d. Canyon View Estates – Work Order #742733
- e. BPUd Ridgeline Drive Feeder – Work Order #743811
- f. Spectrum Enterprise/Ethernet Service Lease Agreement CO#5/Contract #21-46-11
- g. Contract Recommendation - Cabling & Technology Services/Contract #25-46-09
- h. Contract Recommendation – Paramount Communications/Contract #25-46-08

Management Report

Engineering/Operations:

1. **Sunheaven #3 Project Update** - Assistant GM/Sr. Director Steve Hunter provided an update on the Sunheaven #3 Project: Transmission line design is nearly complete and out for pole bids, with bids expected by the end of the week. This will set the schedule to move forward with a labor bid for pole installation to meet the aggressive August 15, 2026 deadline. The substation design work is underway, and the transformer is already on order. Agreement negotiations are ongoing, with significant back-and-forth. Two issues being discussed are “capacity”, with Benton REA requesting 10 MW and Sunheaven requesting 15 MW of substation capacity and “liquidated damages.” Parties are scheduled to meet again on

Thursday, with different solutions identified, depending on the outcome. Construction will proceed on a pay-as-you-go basis, with invoices billed directly upon receipt by the District.

IT & Broadband Services:

1. **NoaNet Update** - Director Chris Folta reported that on September 10, NoaNet member representatives unanimously approved the following: Amendments to the governing interlocal cooperation agreement, bylaws, articles of incorporation and membership of the Spokane Regional Broadband Development Authority ("Broadlinc"). With the addition of Broadlinc as a member, Benton PUD is now a 10% owner.

The Commission recessed at 10:09 a.m., reconvening at 10:19 a.m.

Finance/Executive Administration:

1. **Financial Report** - Senior Director Jon Meyer provided the Commission with a financial report for August, 2025.
2. **NWPPA Bulletin Cover Story** – Senior Director Meyer reported that Benton PUD will be featured on the cover of next month's NWPPA Bulletin for its EmPOWERed program.
3. **Employee Incentive Programs Annual Update** – HR Manager Karen Dunlap, along with Kristen Demory and Roxie Weller reported that employee participation in incentive programs remains strong, with 99% engagement in the Safety Program and 90% in the 360 Well-Being Program with 64% reaching the highest incentive level. They also highlighted the Incentive Power App, which makes it easy for employees to submit activities and sign up for programs.

General Manager:

1. **Flag Flying Protocol & 9/11 Display** – General Manager Rick Dunn reported that Benton PUD has displayed a 9/11 tribute for many years and follows proper flag protocol, raising and lowering the flag according to official federal and state flag-lowering directives.
2. **Columbia River Treaty - Agreement in Principle Level Setting (AIP)** – General Manager Dunn stated that BPA assumed full responsibility for Canada's power entitlement after the Mid-C utilities' 27.5% contribution ended following the agreement in principle (AIP) reached between the United States and Canada in July 2024. The AIP reduced BPA's obligation from 1,141 MW/454 aMW to 660 MW/305 aMW with a glide path to 550/225 by 2044. However, the expiration of the Mid-C contribution offset much of the benefit, leaving only a modest net reduction. Mid-C utilities are now in litigation/mediation with BPA over the issue.
3. **Site 1 SMR Path to Approval** – General Manager Dunn and the Commission discussed recent developments in Energy Northwest's small modular reactor (SMR) project.
 - a. On August 13, Energy Northwest's Board of Directors held a special meeting to discuss conditions for advancing the SMR project, with a conditional approval vote scheduled for October 23.
 - b. Key issues include member utility risk, agency risk, and reputational risk, with safeguards and mitigation measures requested by participating utilities.
 - c. The Commission emphasized the need for clarity on risk measures, potential off-

ramps, and mitigation steps before providing an affirmative vote on the project. Energy Northwest has offered to send a representative to present to the Commission, and GM Dunn will follow up on that offer.

4. **Webber Canyon Project Substation** – General Manager Dunn reported that KID is planning to build a water reservoir project in Badger Canyon and have concerns about the placement of 115-kilovolt transmission line poles near the reservoir. KID and BPA are at an impasse over the transmission line right-of-way across KID property. Manager Dunn has offered to facilitate a meeting at the District to help move the discussion forward.

Business Agenda - Continued

Rattlesnake Mountain Rebuild/Contract BID Award #25-21-22

Manager Evan Edwards reported that the District received two formal quotes for a labor contract to replace temporary cabling with permanent armored cable installation at the Combined Community Communications Facility located on Rattlesnake Ridge. He recommended awarding the contract to DJ's Electrical, Inc.

MOTION: Commissioner Massey moved to authorize the General Manager on behalf of the District to sign Contract #25-21-22 for Rattlesnake Mountain Rebuild to DJ's Electrical, Inc. of Battleground, WA for a not to exceed amount of \$242,885.00 plus WA State sales tax in accordance with RCW 54.04.080 as presented. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

Future Planning

November 11 Commission Meeting

The Commission agreed to reschedule the regular meeting originally set for November 11, 2025 (Veterans Day) to Wednesday, November 12, 2025. A resolution will be adopted at the next regular Commission meeting.

Public Hearing - Preliminary 2026 Budget and Rate Increase

The Commission agreed to hold a Public Hearing on the Proposed 2026 Budget and Rate Increase on November 12, 2025 at 6:00 p.m.

Meeting Reports

Low Income Advocacy Group Meeting

Commissioner Sanders reported on her attendance at the workshop and discussions regarding the Pay-As-You-Go program. Following discussion, the Commission agreed to have Director

Mercer present the Pay-As-You-Go program for further review and clarification at the next Commission meeting.

WPUDA Member Meeting

Commissioners Hall and Massey reported on their attendance at the September WPUDA meeting.

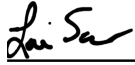
Adjournment

Hearing no objection, President Hall adjourned the meeting at 11:39 a.m.



Signer ID: IJH5POAK16
Jeff Hall, President

ATTEST:



Signer ID: LC814PTOT6...
Lori Sanders, Secretary