

MINUTES

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

Date: July 14, 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
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 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; Dax Berven, Senior Engineer; Duane Crum, Manager of IT Infrastructure; Duane Szendre, Superintendent of Operations; Eric Dahl, Communications Specialist II; Jenny Sparks, Manager of Communications & Customer Engagement; Jodi Henderson, Manager of Government & Community Relations; Katie Grandgeorge, Financial Analyst III; Kent Zirker, Manager of Accounting; Kim Maki, Supervisor of Customer Service; Levi Lanphear, Procurement Administrator; Michelle Ness, Supervisor of Distribution Design; Michelle Ochweri, Manager of Procurement; Jessie Grad, 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.

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 Hearing #3 – 2026 Resource Plan – Final Review

President Hall opened the public hearing and stated its purpose was to provide customers and interested parties an opportunity to comment on the final review of the 2026 Resource Plan, prior to its formal adoption.

Blake Scherer, Manager of Power Supply & Transmission Services, explained that this was the third public hearing conducted as part of the Resource Plan development process. He reviewed the public outreach and comment process, summarized public comments received through June 26, 2026, and highlighted revisions made to the final Resource Plan since the June 9 draft, including additional edits incorporated following publication of the Commission packet.

The Resource Plan is required under RCW 19.280 and is scheduled for submission to the Washington State Department of Commerce by September 1, 2026.

There being no testimony from the public, President Hall closed the public hearing.

Adoption of 2026 Resource Plan – Resolution No. 2729

Blake Scherer requested Commission approval of Resolution No. 2729 adopting the 2026 Resource Plan as amended.

MOTION: Commissioner Sanders moved to adopt Resolution No. 2729 approving the 2026 Resource Plan as amended. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

Public Comment

None.

Treasurer's Report

Keith Mercer, Director of Customer Service & Treasury Operations, reviewed the June, 2026 Treasurer's Report with the Commission as finalized on July 1, 2026.

Consent Agenda

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

- a. Regular Commission Meeting Minutes of June 23, 2026
- b. Travel Report dated July 14, 2026
- c. Vouchers (report dated July 14, 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: 115590-115683 and 115842-115872 in the amount of \$1,852,324.89.

Checks & Customer Refund Payments (CHK): 92373-92449 in the amount of \$195,176.95;

Electronic Fund Transfer (WIRE) Payments: 7632-7644 in the amount of \$7,253,433.89;

Residential Conservation Rebates: Credits on Customer Accounts in the amount \$1,230.00;

Payroll:

Direct Deposit – 06/18/2026: 115432-115589 in the amount of \$499,392.81

Direct Deposit – 07/02/2026: 115684-115841 in the amount of \$506,815.00;

Voided checks (June 2026) in the amount of \$982.66;

Grand total - \$10,308,373.54

- d. Clearwater North Phase 2 - Work Order #748215
- e. Columbia River Tower Structural Evaluation – Work Order #764973
- f. Completion/Acceptance of Absco Solutions Camera Project – Contract #24-15-01
- g. Change Order No. 6 – CompuNet, Inc. – Contract #22-15-01
- h. 2026 Meter Exchange Project (Spring) - Surplus of Equipment – Resolution No. 2733
- i. 2026 – 2nd Quarter Procurement Contracts – Activity Report
- j. Contract Award to Altec Industries – Contract #26-37-01

Management Report

Chief Operating Officer - Chris Folta

1. Outages

Chief Operating Officer Chris Folta reviewed three recent system events:

Vista 2 and Vista 5 Outages – On June 24, 2026 outages affecting the Vista 2 and Vista 5 feeders interrupted service to approximately 1,724 customers. The outage originated from a fault involving City of Richland facilities and affected the District's adjacent feeders. Staff implemented corrective measures to reduce the likelihood of similar incidents and coordinated with the City of Richland regarding the facilities affected.

Vista/Angus Outage - COO Folta next reviewed the June 24 Vista/Angus outage, during which an aircraft struck the Franklin-Angus transmission line river crossing, interrupting service to approximately 11,685 customers before power was restored.

Nine Canyon Wildfire – COO Folta also provided an update on the July 10 Nine Canyon wildfire. He reported there was no damage to District facilities. As a precaution, the District de-energized a section of transmission line during firefighting efforts, provided a water tanker to assist responders, and restored the line to service once conditions allowed.

2. Sunheaven 3 Update

Director of Engineering Evan Edwards reported that energization of the Sunheaven 3 transformer is scheduled for the following week. He noted that testing and final electrical connections are being completed in preparation for placing the facility into service.

Chief Financial Officer - Jon Meyer

1. CRSO Litigation – Columbia River System Operations

Chief Financial Officer Jon Meyer provided an update on the Columbia River System Operations (CRSO) litigation. He reported that oral arguments before the Ninth Circuit Court of Appeals are anticipated between mid-October and mid-November. A three-judge panel has not yet been assigned, and a request by the federal defendants to stay the decision pending appeal has been referred to the yet-to-be appointed appellate panel. As a result, the district court's decision remains in effect.

2. NLSL Slides with Data Center Update

CFO Jon Meyer presented an example illustrating the challenges of serving large data center loads using solar generation under Washington's Clean Energy Transformation Act (CETA). He explained the significant seasonal differences in solar production, noting that significant additional solar generation and battery storage would be required to meet demand and that extended periods of low winter generation demonstrate the limitations of relying solely on solar resources to serve continuous loads.

General Manager – Rick Dunn

1. Data Centers – TC Chamber Forum & TCH Guest Column

General Manager Rick Dunn reported that his guest opinion column, "Large Data Center Proposals Face Power Limits in the Tri-Cities," was published in the Tri-City Herald the previous weekend. He explained that he wrote the column in advance of the Tri-City Regional Chamber's July 20 regional advocacy roundtable on data centers to highlight the Bonneville Power Administration's 10 megawatt New Large Single Load restriction and the often overlooked Clean Energy Transformation Act 80% carbon-free electricity mandate in 2030, noting that discussions about data center opportunities almost always fail to address Washington state's extremely challenging power supply limitations. GM Dunn also referenced a recent news article regarding a one-year moratorium on new data centers with loads of 20 megawatts or greater in the Seattle area and how these types of moratoriums are becoming widespread across the United States. GM Dunn also reported that he attended the Benton REA Elected Leaders Luncheon, noting that Congressman Dan Newhouse was honored for his years of service and strong support of hydropower and that data centers were a topic of discussion he had with several people prior to the formal program.

2. Grandview/Red Mountain Transmission Line Operation Issues

General Manager Dunn provided an update on recurring momentary outages affecting the Grandview/Red Mountain transmission line which have been on top of the scheduled and unplanned long duration outages over the past year. He reported that the issue had been elevated to BPA senior leadership, who are now actively engaged in helping identify possible causes of the faults. BPA plans to use drone inspections to look for possible causes, and District staff continue working with BPA to evaluate operational improvements, including switching procedures and fault location technologies in order to help pinpoint problems and then reduce outage durations if permanent faults occur.

Business Agenda

Resolution No. 2730, Succession of Authority - General Manager

Cami McKenzie presented Resolution No. 2730, which updates the District's succession of authority to align with the current executive organizational structure and Governance Policy. The resolution establishes the order of succession during the planned absence or temporary disability of the General Manager and clarifies delegation of authority and reporting requirements.

MOTION: Commissioner Sanders moved to approve Resolution No. 2730 establishing succession of authority during the planned absence or temporary disability of the General Manager and rescinding and superseding Resolution No. 2546. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

The Commission recessed, reconvening at 10:15 a.m.

Resolution No. 2731, Adopting the Amended Benton PUD Commission Governance Policy

Cami McKenzie presented Resolution No. 2731, which updates the Benton PUD Commission Governance Policy to align with the District's revised executive organizational structure, clarify delegated authority and succession responsibilities, and incorporate governance updates reflecting current laws, Commission practices, and business needs.

MOTION: Commissioner Sanders moved to approve Resolution No. 2731 adopting the amended Benton PUD Commission Governance Policy and rescinding and superseding Resolution No. 2703. Commissioner Massey seconded and upon vote, the motion carried unanimously.

Bond Financing Overview and 2026 Issuance Update

Director Keith Mercer presented an overview of bond financing and the District's proposed 2026 bond issuance. He reviewed the purpose of bond financing, the District's existing debt portfolio, debt service obligations, and financial policies, and discussed why the District is considering issuing approximately \$32 million in revenue bonds to fund capital improvements while maintaining financial stability and helping moderate future rate increases. Director Mercer also presented projected financial scenarios comparing the impacts of issuing and not issuing bonds on reserve levels and customer rates, explained the potential opportunity to refund a portion of the District's outstanding 2016 bonds, and reviewed the proposed issuance schedule, underwriter selection process, the roles of the financing team and credit rating agencies, and the key Commission actions anticipated later this year, including adoption of the bond resolution authorizing the issuance of the bonds.

Bonneville Power Administration - Provider of Choice Power Sales Agreement, Above Contract High Water Mark Load Election-Contract #25-51-02

Manager Blake Scherer briefly recapped the Commission's previous discussions regarding the Above Contract High Water Mark load service election under the Bonneville Power Administration Provider of Choice Power Sales Agreement. Although the General Manager was previously authorized under Resolution No. 2709 to execute the agreement and take actions necessary to implement it, staff presented the election recommendation to the Commission for authorization due to its significance. Staff recommended electing Option A, under which all Above-Contract High Water Mark load would be served at the BPA Long-Term Tier 2 Rate.

MOTION: Commissioner Massey moved to authorize the General Manager to elect Option A and to send notice of the District's Above-Contract High Water Mark election to Bonneville Power Administration by the deadline of July 27, 2026. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

Future Planning

WPUDA

General Manager Rick Dunn reported that he will attend the Washington Public Utility Districts Association (WPUDA) meetings in Okanogan before returning to participate in the EmPOWERed Kids Day event, which his grandchildren will attend. Commissioner Jeff Hall reported that WPUDA was discussing a proposed one-time capital charge for upgrades to the building. General Manager Dunn noted Benton PUD's share would be approximately \$70,000 and the general managers agreed the association should simply invoice the members. Commissioner Mike Massey noted he would be traveling and plans to attend the WPUDA meetings virtually.

Meeting Reports

APPA

Commissioner Lori Sanders reported on her attendance at the American Public Power Association (APPA) National Conference in Boston. She highlighted sessions on fusion energy advancements, fleet electrification, mapping strategies to support community growth, and emerging residential micro data center concepts. She also noted attending a presentation on rating agencies with Commissioner Jeff Hall.

Executive Session - Potential Litigation

The Commission went into executive session at 11:16 a.m. for 20 minutes with General Counsel Allyson Dahlhauser to discuss potential litigation. Also, present were General Manager Rick Dunn, CFO Jon Meyer, and COO Chris Foltz. The Commission came out of executive session at 11:33 a.m.

Executive Session - Review Performance of Public Employee

The Commission went into executive session at 11:34 a.m. for 10 minutes with GM Rick Dunn to review the performance of a public employee. The Commission came out of executive session at 11:44 a.m.

Adjournment

Hearing no objection, President Hall adjourned the meeting at 11:45 a.m.



Jeff Hall, President

ATTEST:



Mike Massey, Secretary