

MINUTES

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

Date: September 8, 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
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, 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; Michelle Ness, Supervisor of Distribution Design; Michelle Ochweri, Manager of Procurement; Jessie Grad, Superintendent of Transmission & Distribution; Robert Frost, Supervisor of Energy Programs; Shannon Sensibaugh, Administrative Assistant, II; Shanna Everson, Distribution Designer; Tyson Brown, Procurement Specialist II; Shawn Harper, Superintendent of Support Services; Rosa Mitchell, Senior Engineer ; Mary Myers, Engineering Technician.

Call to Order & Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

Approved as presented.

Authorizing the Issuance and Sale of Electric Revenue and Refunding Bonds, Series 2026 - Resolution No. 2735

Jon Meyer presented Resolution No. 2735. The resolution is authorizing the issuance and sale of Electric Revenue and Refunding Bonds, Series 2026 to finance capital improvements to the District's electric system; refund certain outstanding bonds of the District; fixing the form and covenants of the 2026 Bonds; and delegating authority to designated representatives to approve the final terms of the 2026 Bonds.

MOTION: Commissioner Massey moved to adopt Resolution No. 2735 adopting Resolution No. 2735 authorizing the issuance and sale of Electric Revenue and Refunding Bonds, Series 2026 Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

Public Comment

None.

Treasurer's Report

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

Consent Agenda

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

- a. Regular Commission Meeting Minutes of August 25, 2026
- b. Travel Report dated September 8, 2026
- c. Vouchers (report dated September 8, 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: 116562-116602 and 116764-116799 in the amount of \$620,557.62.
Checks & Customer Refund Payments (CHK): 92701-92768 in the amount of \$164, 972.59;
Electronic Fund Transfer (WIRE) Payments: 7680-7695 in the amount of \$11,597,095.81;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$1,010.00;
Payroll: Direct Deposit – 08/27/2026: 116603-116763 in the amount \$523,712.37;
Grand total - \$12,907,348.39
- d. Jobs Report (Work Orders up to \$100,000)
- e. WO# 729619 –Tyler Tapani, west of KID main canal
- f. WO# 751335 – Farm Cable Replacement, Goose Ridge Vineyard
- g. Conservation Rebate Report for 2nd quarter 2026

- h. Contract #24-18-03 – NEOGOV – Change Order #2
- i. Completion and Acceptance of Contract #25-46-09 – Cabling & Technology Services
- j. Contract Award — National Auto Fleet Group – One (1) 2027 Ford Super Duty F-350 Truck with Stahl Service Body Package - Contract #26-32-02
- k. Contract Award Recommendation – Sunheaven East Substation Fiber Build - Formal Quote #26-46-08

Management Report

Director of Human Resources & Communications – Karen Dunlap

1. 80th Anniversary Activities

Karen Dunlap, Director of HR & Communications and Jenny Sparks, Manager of Communications & Customer Engagement shared upcoming 80th Anniversary activities with the Commission, including employee and customer events and a customer newsletter.

Chief Financial Officer – Jon Meyer

1. Boys and Girls Solar

Blake Scherer, Manager of Power Supply & Transmission Service, discussed the solar project at the Boys and Girls Club approximately 156 kW AC, exceeding the 100 kW statutory net-metering size limit and requiring a different billing and interconnection framework. Staff are working on developing a Net Billing program, including application and agreement documents, interconnection requirements, and a Commission-approved rate schedule. Staff expects to return to the Commission with a recommendation once the proposed framework is complete.

2. Energy Northwest Nine Canyon Update

Blake Scherer, Manager of Power Supply & Transmission Service, provided the Commission with an update on the Nine Canyon project. The project is planned to be extended beyond 2030 via capital upgrades, with three participating agencies planning to exit rather than extend their participation.

3. White Creek Update

Blake Scherer, Manager of Power Supply & Transmission Service, provided the Commission with an update on White Creek. The project is pending sale, and Benton PUD will be asked to provide consent to the sale. Benton PUD has also requested that contributions to the decommissioning fund be deferred while the sale is pending.

4. 2025 Renewable Audit Results

CFO Jon Meyer informed the Commission that the State Audit exit conference related to the 2025 EIA renewable requirement is tomorrow September 9.

5. BPA Financial Policy

CFO Jon Meyer informed the Commission the second BPA Financial Policy workshop was held last week and the next workshop is being held in October. The CFO provided the Commission with an update on BPA's Risk Mitigation and Financial Policies Refresh, including current reserve policies, modeling assumptions, and potential changes to financial risk tools.

General Manager – Rick Dunn

1. BPA Fish and Wildlife

GM Rick Dunn provided the Commission with an update on BPA's Fish & Wildlife Program costs which historically have represented about 25 percent of BPA's wholesale power rates. BPA projects average annual Fish & Wildlife costs of approximately \$985 million for FY2026–2028.

2. NWPCC 9th Plan

GM Rick Dunn provided an update on the Northwest Power and Conservation Council's draft Ninth Power Plan. Council staff provided a presentation at the Public Power Council Member Forum on September 2nd. GM Dunn stated that power generation is what happens after river flows and pool elevations have been optimized for fish and other needs, and that he challenged Council staff during the Member Forum to help the region understand how close the hydro system is to operating at its maximum flexibility and that the need for new natural gas power plants is emerging as a result. Dunn noted there is this idea floating around that the massive Northwest hydropower system is just waiting to help integrate thousands of megawatts of new intermittent and variable wind and solar generation and that he is suspicious of computer models that may be overstating hydro flexibility.

3. BPA Markets Decision – Travis Kavulla

General Manager Rick Dunn discussed with the Commission the letter that the new administrator for the Bonneville Power Administration's Travis Kavulla sent to the Regional Organization for Western Energy, Inc. regarding conditions under which he would reconsider BPA's decision to join Markets+ and pivot to the California Independent System Operator (CAISO) EDAM (extended day ahead market) instead.

4. Riverfest 2026 Invite

Jodi Henderson, Manager of Government & Community Relations, informed the Commission that the 2026 RiverFest will be held on Saturday, October 3, with a leadership breakfast scheduled prior to the event.

The Commission briefly recessed, reconvening at 10:45 a.m.

Business Agenda

Contract #26-21-18 Change Order #1 – PACO Ventures LLC

Evan Edwards, Director of Engineering, presented Change Order #1 with PACO Ventures Inc. to extend the rental of a tracked pressure digger used for rock hole drilling on current and upcoming District projects. The change order increases the contract by \$112,346.48, for a new not-to-exceed amount of \$160,000 plus Washington State sales tax. Staff noted that use of the equipment is expected to provide significant cost savings compared to contracted rock drilling services.

MOTION: Commissioner Sanders moved to authorize the General Manager on behalf of the District to sign Change Order #1 to Contract #26-21-18 with PACO Ventures Inc., as presented. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

Contract Award – Bid #26-21-06 – Sunset to Dallas Transmission Line Construction Project –

Evan Edwards presented a contract recommendation for construction of the Sunset to Dallas Transmission Line. Magnum Power LLC was the lowest bidder, and staff recommended awarding the contract for a not-to-exceed amount of \$1,464,865.71 plus Washington State sales tax. The project will provide redundant transmission service to existing and future substations and support upcoming BPA transmission work.

MOTION: Commissioner Sanders moved to authorize the General Manager on behalf of the District to sign Contract #26-21-06 with Magnum Power LLC, as presented. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

Resolution No. 2736, Amending Nonstandard Discretionary Compensation and Benefits

Karen Dunlap, Director of HR & Communications, presented Resolution No. 2736, amending Nonstandard Discretionary Compensation and Benefits. The amendment provides additional flexibility for overtime compensation for designated exempt employees who respond onsite during significant after-hours outages.

MOTION: Commissioner Sanders moved to adopt Resolution No. 2736, as presented. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

Financial Forecast and 2027 Rate Increase Direction

Chief Financial Officer, Jon Meyer and Keith Mercer, Director of Customer Service and Treasury provided the Commission with an update on the District's financial forecast, including capital and net power costs, projected reserves, and future rate requirements. The updated forecast incorporated 2026 year-to-date actuals, the draft 2026-2030 Capital Plan, updated net power cost estimates, and the estimated impacts of the preliminary injunction affecting hydro system operations and associated BPA power costs. Based on these assumptions, the forecast includes projected annual rate increases of 4% from 2027 through 2029 with a possible bond issue in 2030.

Discussion was held on how the proposed increase would be allocated amongst customer classes and rate components. Staff recommended applying the same percentage increase across all customer rate classes and proportionally across all rate components. The Commission concurred with staff's recommendation to hold the customer rate meeting during the November 10, 2026 budget hearing with final Commission consideration anticipated in conjunction with adoption of the 2027 budget in December.

Other Business

Commissioner Sanders made a motion to direct the Director of Human Resources and Communications to initiate competitive internal and external recruitment for the General Manager position and to work with the Commission to develop and coordinate the recruitment, interview, and selection process.

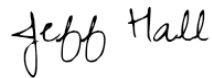
MOTION: Commissioner Sanders moved to authorize the Director of Human Resources and Communications to initiate competitive internal and external recruitment for the General Manager position. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

Meeting Reports

Commissioner Massey reported on the Western Energy Summit where they discussed SMRs.

Adjournment

Hearing no objection, President Hall adjourned the meeting at 11:33 a.m.



Jeff Hall, President

ATTEST:



Mike Massey, Secretary

Signature Certificate



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Author: Nykki Drake Creation Date: 22 Sep 2026, 09:35:46, PDT Completion Date: 22 Sep 2026, 18:41:52, PDT

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Name: Commission Voucher Report 2026-09-22

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Name: Resolution No. 2737 - 2026 Five Year Plan of Service

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Document Total Pages: 1



Name: Resolution No. 2738 - Surplus List - Meters Transformers CTs PTs and Equipment for Disposal

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IP: 12.42.213.130
Location: AUSTIN, TX (US)
Date: 22 Sep 2026, 10:03:04, PDT
Consent: eSignature Consent Accepted
Security Level: Email

Name: Lori Sanders
Email: lsanders@bentonpud.org
Signer ID: GSCWPALF19...

Lori Sanders

IP: 2607:fb91:246f:46:7495:16f5:405:5bd2
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Date: 22 Sep 2026, 18:41:52, PDT
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Security Level: Email

Name: Jeff Hall
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Jeff Hall

IP: 64.184.178.115
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