

MINUTES

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

Date: June 9, 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
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 & 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; 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; 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; Jessie Grad, Assistant Superintendent of Transmission & Distribution, Brandon Farrell, Supervisor of Applied Technology; Colby Decker, Journeyman Lineman.

Call to Order & Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

No changes.

Public Hearing #2 – 2026 Resource Plan – Draft Review

President Hall opened the public hearing and stated its purpose was to provide customers and interested parties an opportunity to offer input on the draft 2026 Resource Plan, prior to its formal adoption. Following the staff presentation, the public would be invited to provide comments.

Blake Scherer, Manager of Power Supply & Transmission Service, explained that this was the second of three planned public hearings related to the development of the 2026 Resource Plan. Mr. Scherer noted that RCW 19.280 requires consumer-owned utilities to prepare resource plans every two years, encourage public participation in the planning process, and approve the plan following public notice and hearing. He also referenced the District's Resource Plan webpage as a source for project information and public comment opportunities.

Mr. Scherer reviewed the draft plan and highlighted the following topics:

1. Requirements of RCW Chapter 19.280 requirements for electric resource planning.
2. Work-in-progress edits and redline changes from the 2024 Resource Plan.
3. Incorporation of the 2026 Load Forecast.
4. Resource adequacy considerations.
5. Status of the Bonneville Power Administration (BPA) Provider of Choice contract, including the High-Water Mark and Above High-Water Mark elections.
6. Clean Energy Requirements
7. Public input opportunities and comments received to date.
8. Schedule for final review and approval of the Resource Plan

Mr. Scherer reported that comments and suggestions received during the public comment period had been incorporated into the draft where appropriate. The comment period remains open through June 26, 2026, to allow additional public feedback before the plan is finalized. He noted that public comments received through the District's website would be included in the final plan. To date, staff have received 42 comments addressing a variety of topics.

Mr. Scherer provided the comments in writing to the Commission for their review.

Commissioner Sanders asked how the District responds to public comments submitted through the Resource Plan process.

General Manager Rick Dunn stated that staff are evaluating opportunities to address common questions and themes through District communications, including newsletters and website

resources, and that staff will continue exploring effective ways to provide additional information to customers and interested parties.

Public Testimony

Bill Barlow, President of Sustainable Tri-Cities, stated that he had been participating in local government planning discussions related to long-range growth and development (Comprehensive Plans). He expressed concerns regarding increasing regional energy demands, including data center development, and emphasized the importance of pursuing regional solutions. Mr. Barlow noted that public understanding of power supply issues remains limited and encourages continued public education and outreach efforts.

General Manager Dunn responded that the District continues extensive outreach efforts but acknowledged that differing priorities among local jurisdictions can make regional coordination challenging. He stated that Benton PUD will continue working to communicate resource planning and power supply issues to customers and community stakeholders.

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

Setting Public Hearing #3 – 2026 Resource Plan (Final Approval)

Manager Blake Scherer presented the proposed schedule for Public Hearing #3 regarding the 2026 Resource Plan. The hearing is intended to provide an opportunity for public input prior to final approval and adoption of the Plan.

MOTION: Commissioner Sanders moved to approve setting a public hearing for the purpose of public input on the 2026 Resource Plan on Tuesday, July 14, 2026, at 9:00 a.m., to be held at the District’s Administration Office located at 2721 West 10th Avenue, Kennewick, Washington, as well as via conference call at 1-323-553-2644, conference ID 359 861 969#, and directing the General Manager to publish the notice of the public hearing date, time and location as presented. 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 May, 2026 Treasurer’s Report with the Commission as finalized on June 1, 2026.

Consent Agenda

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

- a. Regular Commission Meeting Minutes of May 26, 2026
- b. Travel Report dated June 9, 2026
- c. Vouchers (report dated June 9, 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: 115115-115211 in the amount of \$2,488,475.55;
Checks & Customer Refund Payments (CHK): 92213-92281 in the amount of \$53,614.43;
Electronic Fund Transfer (WIRE) Payments: 7607-7618 in the amount of \$7,195,060.00;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$1,140.00;
Payroll: Direct Deposit – 5/21/2026: 114957-115114 in the amount \$514,149.14;
Voided DD (May, 2026) in the amount of \$295,04;
Voided checks (May, 2026) in the amount of \$1,487.65;
Grand total - \$10,252,439.12
- d. Red Tail Apartments – WO #693637
- e. Contract Recommendation – Southern Electrical Equipment Company, Inc. (SEECO) – 115kV – Switches - Bid #26-21-08
- f. Fiduciary Consulting Group (FCG) – Change Order #3 - Contract #21-02-03

Management Report

IT/Broadband – Director Jennifer Holbrook

1. New Employee – Brandon Farrell

Director Holbrook introduced Brandon Farrell, the District’s new Supervisor of Applied Technology.

2. Bigfoot Communications Broadband Update

Director Holbrook reported that Bigfoot Communications did not take action before the invitation deadline related to joining NoaNet. Based on NoaNet’s recommendation, they do not intend to seek another formal vote at this time and instead will bring forward a new motion should Bigfoot wish to participate in the future. She noted that recent changes in tribal leadership may have contributed to the delay and that they have not expressed any concerns with joining NoaNet. Commissioner Sanders indicated she is unable to attend a NoaNet meeting to observe due to scheduling conflicts. Commissioner Massey will attend a meeting to observe, and staff will revisit representation, and participation needs later in the year.

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

1. Sunheaven #3 Transmission & Substation Update

Director Evan Edwards provided an update on the Sunheaven #3 project. Construction by the contractor has been completed, and Benton PUD crews are continuing substation construction activities. Current efforts include installation of control wiring and 2" and 1" Bus work. Energization of the substation is anticipated the week of July 20.

Chief Operating Officer - Chris Folta

1. Benton County Fire District Training

Chief Operating Officer Folta reported that the District is working with Benton County Fire District to renew electrical safety training for first responders. The program previously resulted in several cooperative emergency response practices, including emergency standby support and utility coordination agreements with area utilities. Staff plans to expand future training efforts to include wildfire mitigation and prevention topics. He added that Benton County will review the proposed wildfire mitigation plan before submission to the state and will also explore similar coordination opportunities with the City of Kennewick.

The Commission recessed, reconvening at 10:37 a.m.

Management Report – Continued

General Manager – Rick Dunn

1. PPC Updates

a. BPA Administrator

General Manager Dunn reported that former BPA Administrator John Hairston, now the Eugene Water and Electric Board (EWEB) General Manager was an invited guest speaker at the last Public Power Council meeting. Travis Kavulla is expected to succeed Hairston, and initial feedback from Public Power Council staff has been positive. Kavulla served on the Montana Public Service Commission and brings a strong background in electricity markets, transmission policy, and utility regulation.

b. BPA Financials

CFO Jon Meyer reported that BPA has paused several initiatives pending transition to a new Administrator, including the Residential Exchange Program, market decisions, and the BP-27 rate case related to the Preliminary Injunction that increases spill throughout the lower Columbia and Snake River Dams. He noted that BPA is projecting power reserves of 65 to 82 days cash on hand at the end of this fiscal year and continues to monitor financial conditions closely. If current forecast holds, BPA will not trigger a Financial Reserve Policy surcharge which drove a 2% increase in BPA's rates last year. Discussion also included potential surcharge impacts, ongoing litigation matters, and BPA's continued challenges with workforce recruitment and retention. General Manager Dunn reported that the federal hydro forced outage factor has increased over the past three years to

9.3%, which is higher than the desired 4-6% range. Public Power Council staff expressed concerns with ongoing staffing issues at the federal dams as well as lower than desired capital execution.

c. BPA Transmission

General Manager Dunn reported on discussions at the Public Power Council regarding BPA transmission issues, including a reduced but still large generator interconnection queue, the continued pause on transmission service requests, and a growing line-and-load interconnection queue. At the recent PPC meeting Dunn encouraged BPA's transmission executives to be more engaged in helping moderate Washington and Oregon energy policies that continue to insist we can double electricity demand by building only wind, solar and batteries, while studies by E3 Consulting, the Northwest Power and Conservation Council, and even Washington State's published energy strategy indicate we will need as much as 11,000 megawatts of new natural gas power plants in the Northwest by 2045. Dunn expressed frustration with BPA executives who proclaim they are "agnostic" to the regional power supply portfolio while also stating to PPC members that we will most certainly need new natural gas plants and that retaining existing plants in the Interstate-5 corridor will be necessary. Dunn said he encouraged BPA to be more engaged in policy discussions going forward when it comes to the physics of the power grid and the feasibility of upgrading existing transmission lines and adding new interstate transmission lines to reach the best wind and solar resources in Montana/Wyoming and Nevada respectively.

d. Northwest Power and Conservation Council (NWPPCC) Power Plan & Fish & Wildlife Program

General Manager Dunn reviewed recent NWPPCC activities, including development of the Ninth Power Plan and ongoing discussions regarding the Fish and Wildlife Program. He summarized PPC comments and recommendations concerning proposed resource acquisition targets, conservation goals, and program implementation issues currently under consideration by the Council. Dunn indicated the most encouraging part of the Council's power supply analysis is their admission that we will need new natural gas power plants and that their BPA-specific recommendations allow for natural gas to meet capacity, while prioritizing "renewables" for energy needs. Dunn also indicated that Washington and Oregon members supported injunctive spill levels through August as a Council planning requirement, but thanks to Idaho and Montana representatives they will not be included in the final recommendations.

2. "God Squad"

General Manager Dunn reported on rumored discussions regarding the possible convening of the Endangered Species Committee (ESC), commonly referred to as the "God Squad." He explained that the committee, comprised of federal agency representatives, would have authority to grant exemptions for hydropower generation under the Endangered Species Act. Dunn reminded Commissioners of the failed attempt by Darryll Olsen with Columbia-Snake River Irrigators Association (CSRIA) to convene the ESC nearly a decade ago, pointing out that Olsen was quoted in a June 2, 2026 Clearing

Up article as saying that he no longer thinks the ESC would put a halt to the long-standing ESA litigation. In the same article, a memorandum written by CSRIA's attorney was referenced, in which he pointed out that the 1854 and 1855 Treaties with tribes provide the basis on which a federal judge could order injunctive relief without regard for the ESA.

3. Injunctive Spill Controversy

General Manager Dunn reported on recent developments related to court-ordered spill operations at the lower Snake and lower Columbia River Dams. He explained that prior to Memorial Day, the U.S. Army Corps of Engineers observed adult salmon migration delays at Lower Monumental Dam and independently lowered spill levels to 40% total-dissolved gas from 125%. The action generated controversy because it occurred without prior coordination with the Columbia River Technical Management Team. He further noted that subsequent discussions among federal agencies, the Court, and plaintiffs resulted in clarification regarding the Corps' authority to make operational adjustments. Dunn expressed frustration that high spill levels are known to be challenging for adult salmon as they have a hard time finding fish ladders and can also experience fallback over the spillways. He said this is an example of how court ordered spill levels are not being driven by science and simply defy common sense.

4. Willamette Hydro Update

General Manager Dunn reported on developments related to the deauthorization of hydropower at certain Willamette River dams previously supported by the Public Power Council due to the high cost and limited power benefits. As reported in the June 2, 2026 edition of Clearing Up, the U.S. Army Corps of Engineers is proposing to continue to operate and maintain the Willamette Valley system in accordance with its eight congressionally authorized purposes, including hydropower generation. Dunn noted that the projects contribute a relatively small amount of regional power while incurring significant costs, and that PPC continues to support further consideration of hydropower deauthorization alternatives.

5. KTLO Highlights (Rep. Stephanie Barnard)

General Manager Dunn provided a summary of topics discussed during the recent Keeping the Lights On (KTLO) meeting convened by Representative Stephanie Barnard.

a. Transmission Authority

Representative Barnard proposed a limited bill addressing right-of-way acquisition, while the Legislature ultimately passed a broader transmission authority package.

b. Nuclear Caucus

Discussion included Representative Barnard's Nuclear Caucus, which reportedly grew from having no participation to becoming one of the most well-attended bipartisan caucuses. General Manager Dunn noted that following national media attention regarding the Trump Administration's support for fast-tracking nuclear power plant permitting, Democrat member participation in subsequent caucus meetings reportedly declined to zero.

c. Carbon Sequestration

Discussion included Representative Alex Ybarra's carbon sequestration legislation as an alternative emissions reduction strategy. While the proposal did not

advance during the most recent legislative session, additional information was requested by Democrat party leaders who seemed to support pursuing the concept in the next legislative session.

d. Data Centers & BPA NLSL

Discussion focused on the impacts of large data center loads on regional power systems and the significant constraints on utilities served by BPA due to their 10 average megawatt New Large Single Load limitation.

6. WSAC Data Center Presentation Briefing

General Manager Dunn summarized a recent presentation he provided to the Washington State Association of Counties Columbia River Caucus regarding data center power demands and their potential impact on the Pacific Northwest electric system. Topics included projected data center growth, regional and national power demand forecasts, impacts of artificial intelligence, economic considerations, BPA's New Large Single Load policy, and the challenges associated with serving significant new loads given that existing firm federal hydropower resources are spoken for. He emphasized that firm demand requires firm supply and that highly variable wind and solar are not cost competitive when you must overbuild for reliability and provide backup supply. Dunn concluded his remarks by asking why data center developers would look to locate in Washington in the near-term and pay two to three times as much for electricity, when they can locate in a state which welcomes affordable, reliable and small-footprint natural gas, which can also be constructed much faster.

7. LSRD Replacement Study

General Manager Dunn reported that the Washington Department of Commerce has issued a Request for Information (RFI) for a consultant to study replacement electricity generation services currently provided by the Lower Snake River Dams. Dunn expressed frustration that the legislature authorized \$800k for yet another LSRD breaching study at a time when the state's financial position is so dire.

8. Horse Heaven Hills Wind Farm

General Manager Dunn reported that the Washington State Supreme Court is scheduled to hear oral arguments on June 11 regarding the Horse Heaven Hills wind, solar, and battery energy storage project. He noted that the proceedings will be available for public viewing through TVW.

9. Washington Potato Commission Interview

General Manager Dunn reported on a recently recorded interview he gave to the Washington Potato Commission regarding challenges facing the agricultural industry. He stated that Washington ranks 50th among the states in net farm income and discussed deep concerns regarding rising electricity and fuel costs, restrictive labor regulations, high taxes, and high-cost state energy policies. He noted that agricultural producers are very worried about the cumulative impacts of these factors on farm operations and competitiveness and discussed the importance of communicating the urgency of these concerns to policymakers and the public in the run up to the next legislative session.

Business Agenda

Resolution No. 2728 – Benton PUD Emergency Response Policies

Director Keith Mercer reviewed proposed updates to the District’s Emergency Response Policies. The revisions included updates to organizational titles reflecting the District’s recent reorganization, clarification of emergency conditions that may be encountered by the District, updates to the emergency procurement authority and procedures, and other minor edits and clarifications. Staff recommended adoption of Resolution No. 2728 approving the updated Emergency Response Policies.

MOTION: Commissioner Massey moved to adopt Resolution No. 2728 approving updates to the Emergency Response Policies as presented. Commissioner Sanders seconded the motion, and upon vote, the motion carried unanimously.

Resolution No. 2727 - Procedure for Procurement of Materials, Equipment, Supplies, Services, Public Works, Personal Services, and Emergency Procurements

Manager Michelle Ochweri reviewed proposed updates to the District’s Procurement Policy and Procedures. The revisions incorporate changes required by Washington State legislation, including SB 6076 which streamlines procurement requirements for utility energy, transmission, and distribution projects, authorizes electronic bidding, and increases thresholds for work performed by District crews, and HB 2420, which gradually increases small works roster contract limits through 2030. Staff recommended adoption of Resolution No. 2727.

MOTION: Commissioner Sanders moved to adopt Resolution No. 2727 to provide staff procedures for procurement of certain materials, equipment, supplies, services, public works, personal services and emergency procurements as presented. Commissioner Massey seconded the motion, and upon vote, the motion carried unanimously.

Adjournment

Hearing no objection, President Hall adjourned the meeting at 11:53 a.m.



Jeff Hall, President

ATTEST:



Mike Massey, Secretary

Signature Certificate



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Document Total Pages: 31



Name: Resolution No. 2732 - Use of District Vehicles and Reimburse Certain District Personnel for Tax Costs Associated with Required Use - Final Signed

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Signer ID: RERIBPME16...
IP: 50.37.190.245
Location: KENNEWICK, WA (US)
Date: 23 Jun 2026, 12:30:06, PDT
Consent: eSignature Consent Accepted

Security Level: Email
Name: Jeff Hall

Email: jhall@bentonpud.org
Signer ID: RWRGCVU718...
IP: 2600:100f:b214:5174:df3:53a0:eb9f:2bba
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Date: 23 Jun 2026, 12:30:06, PDT
Consent: eSignature Consent Accepted
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Name: Lori Sanders
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Lori Sanders

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