

MINUTES

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

Date: March 11, 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
Records Program Administrator II Nykki Drake
Administrative Assistant II Roxie Weller
General Counsel Allyson Dahlhauser

Benton PUD employees present during all or a portion of the meeting, either in person or virtually:

Senior Engineer Power Management Blake Scherer; Manager of IT Infrastructure; Superintendent of Operations Duane Szendre; Manager of System Engineering Evan Edwards; Senior Manager of Applied Technology Jennifer Holbrook; Manager of Communications & Government Relations Jodi Henderson; Financial Analyst III Katie Grandgeorge; Manager of Human Resources Karen Dunlap; Manager of Accounting Kent Zirker; Engineering Technician Mary Myers; Manager of Procurement Michelle Ochweri; Cyber Security Engineer III Paul Holgate; Superintendent of Transportation & Distribution Robert Inman; Supervisor of Energy Programs Robert Frost; Procurement Specialist I Tyson Brown; Distribution Designer Zach Underhill

Call to Order and Pledge of Allegiance

The meeting was called to order. The Commission and those present recited the Pledge of Allegiance.

Agenda Review

Commissioner Hall moved Management Report to the beginning of the agenda.

Public Comment

None.

Treasurer's Report

Keith Mercer, Director of Customer Service & Treasury Operations, reviewed the February 2025 Treasurer's Report with the Commission as finalized on March 3, 2025.

Management Report

Information Technology/Broadband:

1. Franklin PUD NCS – Director Chris Folta and Rich Nall from NoaNet informed the Commission that NoaNet has signed a contract with Franklin PUD to provide comprehensive network coordinated services similar to that of Benton PUD.

Power Management:

1. Power Management Update – Director Chris Johnson discussed power supply updates that included Bonneville Power Administration (BPA) Provider of Choice contract signing timeline, Contract High Water Mark (CHWM), hydro water year, White Creek and Nine Canyon. Director Chris Johnson also discussed solar and conservation updates that included Kennewick Housing Authority and residential cold climate heat pumps.

General Manager:

1. Bonneville Power Administration (BPA) Workforce Issues – General Manager Dunn discussed the significant number of BPA employees who took early retirement or were laid off as part of the DOGE federal cuts. BPA initially lost around 400 of their approximately 3,000 employees but has been successful explaining their value as an electric utility rate-payer funded federal entity and that staffing cuts to BPA will do nothing to save taxpayer dollars. BPA is on a positive path to restore most if not all probationary employees who were previously terminated and the overall picture is looking much improved with a few exceptions that are troubling, including system dispatchers and linemen.
2. BPA Draft Decision on SPP Markets+ vs. CAISO EDAM – General Manager Dunn informed the commission that BPA announced their draft decision to join the SPP Markets+ and the reasons why he supports the decision.
3. Columbia River System Operations (CRSO) Supplemental Environmental Impact Statement (EIS) Notice of Intent (NOI) Update – General Manager Dunn discussed the Biden Administration's last-ditch efforts to force a CRSO supplemental EIS (SEIS) in the context of the federal government commitments made under what is known as the "12/14 Agreement". It appears under the Trump Administration the SEIS, which was characterized by some as possibly illegal, could be off the table. The comment period for the Notice of Intent for a SEIS was extended to March 20, 2025. There have been no

official announcements regarding the 12/14 Agreement, but the National Rural Electric Cooperative Association (NRECA) continues to strongly recommend it be terminated. Other public power entities have been reluctant to take this position as termination would mean the stay of litigation resulting from the 12/14 Agreement would end and we would be “back in the courts” regarding operations of federal hydroelectric dams.

4. Columbia River Treaty Update – General Manager Dunn discussed the current status of the Columbia River Treaty.
5. GM Speaking Engagements – General Manager Dunn discussed his upcoming speaking engagements.

Consent Agenda

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

- a. Minutes of Regular Commission Meeting of February 11, 2025
- b. Travel Report dated March 11, 2025
- c. Vouchers (report dated 3/11/2025) 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: 107220-107247; 107398-107480; 107632-107656 in the amount of \$3,131,919.29.
Checks & Customer Refund Payments (CHK): 89593-89746 in the amount of \$625,512.67;
Electronic Fund Transfer (WIRE) Payments: 7191-7216 in the amount of \$1,797,650.85;
Payroll: Direct Deposit – 2/13/2025: 107248-107397 in the amount \$417,196.37; Direct Deposit – 2/27/2025: 107481-107631 in the amount \$419,708.80; Check – 2/13/2025 600228-600258 in the amount \$57,598.18
Voided checks in the amount of \$4,150.85;
Grand total - \$6,451,346.16
- d. 25-12-03 FWEE Tri-Cities STEM Academy 2025 - Interlocal Agreement
- e. 25-15-01 Ivoxy Consulting - Renewal - VMWare (3 year) Agreement
- f. 25-18-01 Information First - CM Managed Service & Renewal
- g. Jobs Report for Commission
- h. Work Order 718354 – Angus Bay 2 Relay Upgrades
- i. Work Order 729251 – Cherry Grove Lane Ph2
- j. Work Order 730215 - Merlot Meadows Ph1
- k. Work Order 731773 - Desert Sands
- l. Work Order 731909 - Sunset Road Regulator Replacement
- m. Quit Claim - North Care - CAAF & Map
- n. 22-21-209 Electrical Consultants Inc. (ECI)-Sunset-Dallas Road Transmission Line-CO # 3

Business Agenda

Contract Awards Recommendation – Absco Solutions – Contract #25-20-02

Senior Manager Jennifer Holbrook presented the contract award to Absco Solutions as part of the next phase of the enterprise security system implementation. This contract is to provide labor and materials to replace the outdated intrusion detection system which includes the security alarm, motion detectors and glass break sensors, which seamlessly integrates with the recently installed Access Control System at all buildings on the District campuses in Kennewick and Prosser as well as three District-owned hilltop radio sites – Jump off Joe, Prosser Butte and Umatilla.

MOTION: Commission Massey moved to authorize the General Manager on behalf of the District to award Contract #25-20-02 for Enterprise Security System - Phase 3 to include security alarm, motion detectors and glass break sensors to Absco Solutions for \$187,238.55 plus Washington State sales tax in accordance with RCW 54.04.080 which includes a 3% contingency for unforeseen project costs. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

Contract #23-21-18 – DJ’s Electrical, Inc. – Change Order #4

Engineering Manager Evan Edwards informed the Commission that during construction efforts on the Spaw-Phillips Transmission Line field conditions arose that resulted in additional Contractor work. The conditions were discussed and \$250,000 will be needed for the transmission work.

MOTION: Commission Sanders moved to authorize the General Manager on behalf of the District to sign Change Order #4 of Contract 23-21- 18, with DJ’s Electrical, Inc. to increase the not-to-exceed amount by \$250,000.00 bringing the new not-to exceed amount of the contract to \$6,897,606.24. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

Resolution No. 2691 Amending Retail Electric Rate Schedules

Director Keith Mercer presented Resolution No. 2691, which amends the Retail Electric Rate Schedules to implement a 5.0% revenue increase across all rate classes and components, effective April 1, 2025. Additionally, a newsletter that will be mailed to customers next week was shared with Commissioners.

MOTION: Commissioner Sanders moved to approve Resolution No. 2691 amending Retail Electric Rate Schedules effective April 1, 2025. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

The Board briefly recessed, reconvening at 10:25 a.m.

2024 Cyber Security Annual Report

Director Chris Folta and Cyber Security Engineer III Paul Holgate presented the 2024 Cyber Security Annual Report to the commission. Highlighted during the presentation were the District’s Cybersecurity policy framework, cyber risk updates, risk metrics and 2025 project initiatives.

2024-2028 Strategic Plan: Year-End Progress Report

General Manager Rick Dunn presented the 2024-2028 Strategic Plan year-end progress report to the commission.

Review Final Draft of 2024 Annual Financial Report

Senior Director Jon Meyer and Manager Kent Zirker presented the final draft of 2024 Annual Financial Report. It is a best practice to share a draft of the District’s Annual Financial Report with the Commission prior to completion.

Other Business

None.

Future Planning

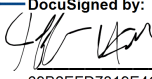
None.

Meeting Reports

APPA/WPUDA Legislative Rally – Both Commissioner Hall and Commissioner Sanders reported on their attendance in Washington D.C. during the Legislative Rally.

Adjournment

Hearing no objection, President Hall adjourned the meeting at 11:25 a.m.

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President

ATTEST:
Signed by:

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Secretary