

MINUTES

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

Date: January 28, 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 I Roxie Weller
General Counsel Allyson Dahlhauser

Benton PUD employees present during all or a portion of the meeting, either in person or virtually: Manager of System Engineering Evan Edwards; Manager of Procurement Michelle Ochweri; Manager of Customer Engagement Jenny Sparks; Manager of Customer Service Annette Cobb; Manager of Communications & Government Relations Jodi Henderson; Manager of Human Resources Karen Dunlap; Senior Manager of Applied Technology Jennifer Holbrook; Superintendent of Transportation & Distribution Robert Inman; Superintendent of Operations; Supervisor of Distribution Design Michelle Ness; Supervisor of Energy Programs Robert Frost; Financial Analyst III Katie Grandgeorge; Senior Engineer Power Management Blake Scherer; Manager of Accounting Kent Zirker; Physical Security Coordinator II Anthony Ciarlo; IT System Administrator III Tyler Scott; Procurement Specialist I Tyson Brown; Communications Specialist II Eric Dahl; 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

No changes.

Public Comment

None.

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. Minutes of Regular Commission Meeting of January 14, 2025
- b. Travel Report dated January 28, 2025
- c. Vouchers (report dated 1/28/2025) 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: 106781-106818; 106974-106995 in the amount of \$1,473,914.34.
Checks & Customer Refund Payments (CHK): 89492-89546 in the amount of \$796,574.63;
Electronic Fund Transfer (WIRE) Payments: 7175-7184 in the amount of \$718,108.62;
Payroll: Direct Deposit – 1/16/2025: 106819-106973 in the amount \$433,286.22.
Voided checks in the amount of \$256.10;
Grand total - \$3,423,683.81
- d. Designation of Representatives to Various Organizations for 2025
- e. Contract #23-45-29 – Perfection Glass – CO#1
- f. Conservation Rebate Report for 4th Quarter

Business Agenda

Cancellation of February 25, 2025 Meeting

Acting Clerk of the Board Nykki Drake stated that Commissioner Hall and Commissioner Sanders will be attending the WPUDA/APPA Legislative Rally in Washington D.C. during the week of February 24, 2025, and will not be physically present for the regularly scheduled meeting on February 25, 2025. The Clerk of the Board has confirmed there are no agenda items that need to come before the Commission on February 25, 2025, and virtual attendance by the Commission members is not required.

Benton PUD’s regular Commission meetings are scheduled every second and fourth Tuesday of the month. Cancellation of a regular Commission meeting requires notification to the public. In the event action is required prior to the next regularly scheduled Commission meeting on March 11, 2025, a special meeting of the Commission can be called by the President of the Commission.

MOTION: Commissioner Sanders moved to cancel the District’s regular Commission meeting scheduled for 9:00 a.m. on February 25, 2025, and directing the General Manager to provide notification to the public of such cancellation. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

Management Report

General Manager:

1. President’s Executive Orders/Capital Press Article – General Manager Dunn discussed President Trump’s Executive orders and a Capital Press article in which he was quoted.
2. Roanoke Conference Summary - General Manager Dunn discussed his participation as a panelist on energy issues at the Roanoke Conference held last weekend. One of Dunn’s talking points was that cheap wind and solar is a lie. This has been demonstrated through experience in Europe over the past fifteen years. Data clearly shows for every 10% increase in solar and wind penetration, electricity costs increase by more than 5 cents per kilowatt-hour (kWh). Also discussed was the fuel mix for Washington Electric Utilities. Rounding up, electricity is already near 70% non-emitting and under the Clean Energy Transformation Act (CETA) it must increase to 80% by 2030. Clearly, in the near-term wind and solar will be the only technology used to gain the additional 10% of non-emitting generation which means we can expect at least a 5 cents per kilowatt-hour increase or more in retail rates by 2030. This would be an additional 40% increase on top of the more than 25% increase that has already occurred between 2019 and now. Additionally, CETA mandates leave little room for the use of natural-gas (NG) power to support economic development opportunities, even though the nameplate capacity of Washington NG power plants is 4,000 megawatts (MW) and annual energy delivered to loads in Washington is around 1,700 average megawatts. Of course, some of the energy delivered could also be sourced from Oregon’s 4,300 MW of natural gas generating capacity. Furthermore, while market purchases are comprised of surplus hydro and natural gas power, they are considered “unspecified” which under Washington’s Climate Commitment Act (CCA) means they are assumed to have carbon emissions very close to that of natural gas. Finally, Washington state’s energy strategy is to double electricity demand by 2050 and to import 36% from wind farms in Montana and Wyoming. When you do the math on the 36%, that means the state thinks we will import wind generated electricity equivalent to more than 120% of what we get from hydroelectric dams today. This is clearly and absurd strategy.
3. Lava Ridge Wind Project Temporarily Suspended – General Manager Dunn discussed the temporary suspension of the Lava Ridge Wind farm development in Idaho by Executive Order from President Trump. Idaho Governor Brad Little also signed the “Gone with the Lava Ridge Wind Project Act”. As of now, the project is on hold pending further review by the Department of the Interior.

4. PPC Wire to Wire Review – The Federal Energy Regulatory Commission (FERC) approved the Southwest Power Pool’s Markets+ tariff on January 16th. As of now, several Desert Southwest Utilities and Powerex have signaled their intention to fund and participate in Markets+. In March Bonneville Power Administration (BPA) will issue their draft day-ahead market decision and seek to finalize that decision in May.
5. PREPP Study Steering Committee Update – General Manager Dunn discussed an email he and two other public power representatives submitted to the PREPP Facilitators stating ongoing concerns related to public power being under represented relative to the total number of Steering Committee members; the veto power given to the “Co-Convenors” within the Steering Committee Charter; the timeline for implementation; and the intersection between the PREPP and the 12/14/2023 agreement between the Biden Administration and the Six Sovereigns (12/14 Agreement). The email also requested greater utility and hydropower representation on the Steering Committee, the inclusion of a representative from Northwest RiverPartners on the Steering Committee, and that public power have a seat on the Co-Convenor committee. Finally, the email requested the Co-Convenors discuss their rationale for the current committee structures, charters, and decision-making processes related to the provisions in the 12/14/2023 MOU.
6. Site 1 SMR Update – General Manager Dunn provided an update on the Site-1 Small Modular Reactor (SMR) project. A discussion took place regarding the next steps and expectations if public power utilities want to participate in phase-1 of the project which will include the first four 80-megawatt modules. Public Power has the opportunity to participate in phase-1 but participation is not required to be eligible to participate in phase-2 which will include the remaining eight 80-megawatt modules of the 960 megawatt project total. Manager will provide additional information at a future Commission meeting, likely in March, with the expectation a final decision as to Benton PUD’s participation in phase-1 can be made well in advance of the May 1, 2026 deadline.

Finance/Executive Administration:

1. Financial Reports – Senior Director Jon Meyer provided the Commission with a financial report for December 2024.
2. Customer Rate Meetings – Director Jon Meyer discussed customer rate meetings. The first meeting occurred last week with customers in the Large Irrigation rate class. The next meetings are on February 13, 2025. Staff will promote the customer rate meeting scheduled for 5:30 p.m. on February 13 beginning next week.

Other Business

None.

Future Planning

WPUA/APPA Legislative Rally – Both Commissioners Hall and Sanders would be attending the WPUA/APPA legislative rally in Washington D.C. the week of February 24, 2025.

Meeting Reports

January WPUA Association Meeting – Commissioner Hall, Commissioner Sanders and Commissioner Massey reported on their attendance at the January WPUA meetings.

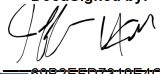
The Board briefly recessed, reconvening at 10:40 a.m.

Executive Session – Review Performance of Public Employee

The Commission went into executive session per RCW 42.30.110(h) at 10:40 a.m. for fifteen minutes with General Manager Dunn to review the performance of a public employee. The Commission came out of executive session at 10:55 a.m. and announced it was going back into executive session for an additional 15 minutes. The Commission came out of executive session at 11:10 a.m. No decisions were made in executive session.

Adjournment

Hearing no objection, President Hall adjourned the meeting at 11:17 a.m.

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President

ATTEST:

ABSENT

Secretary