

MINUTES

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

Date: August 12, 2025

Time: 9:00 a.m.

Place: 2721 West 10th Avenue, Kennewick, Washington

Present: Commissioner Jeff Hall, 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
Supv. of Executive Administration/Clerk of the Board Cami McKenzie
Records Program Administrator II Nykki Drake
General Counsel Allyson Dahlhauser

Absent: Commissioner Lori Kays-Sanders, Vice-President
Director of Customer Service and Treasury Keith Mercer

Benton PUD employees present during all or a portion of the meeting, either in person or virtually: Blake Scherer, Senior Engineer Power Management; Duane Crum, Manager of IT Infrastructure; Eric Dahl, Communications Specialist II; Evan Edwards, Manager of System Engineering; Jennifer Holbrook, Senior Manager of Applied Technology; Jenny Sparks, Manager of Customer Engagement; Jodi Henderson, Manager of Communications & Government Relations; Karen Dunlap, Manager of Human Resources; Kent Zirker, Manager of Accounting; Levi Lanphear, Procurement Administrator; Michelle Ness, Supervisor of Distribution Design; Michelle Ochweri, Manager of Procurement; Paul Holgate, Cyber Security Engineer III; Robert Inman, Superintendent of Transportation & Distribution; Robert Frost, Supervisor of Energy Programs; Tyson Brown, Procurement Specialist I; Zach Underhill, Distribution Designer; Jody George, Human Resources; Tyler Scott, IT.

Call to Order & Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance. Commissioner Sanders was excused.

Agenda Review

General Manager Dunn requested an executive session to discuss the performance of a public employee.

Public Hearing – Ten-Year Cost-Effective Conservation Resource Potential and Biennial Target; Resolution No. 2700

President Hall opened the public hearing stating the purpose of the hearing is to consider the Ten-Year Cost-Effective Conservation Resource Potential and Biennial Target, as required for compliance with Washington State’s Energy Independence Act (EIA).

Director of Power Management Chris Johnson explained that this process is required every two years and presented the 2026-2035 Ten-Year Cost-Effective Conservation Resource Potential and 2026-2027 Biennial Target. He stated that to comply with the EIA, staff recommends establishing the District’s 2026-2035 Ten-Year Cost-Effective Conservation Resource Potential at 9.67 aMW and the District’s 2026-2027 Biennial Target at 1.10 aMW.

Testimony

As there was no one present to comment, the public hearing was closed.

MOTION: Commissioner Massey moved to approve Resolution No. 2700 for establishment of Benton PUD’s 2026 - 2035, ten-year cost-effective conservation resource potential and 2026 - 2027 biennial target as presented. Commissioner Hall seconded, and upon vote, the motion carried unanimously.

Public Comment

None.

Treasurer’s Report

Jon Meyer, Sr. Director of Finance/Executive Administration reviewed the July, 2025 Treasurer’s Report with the Commission as finalized on August 5, 2025.

Consent Agenda

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

- a. Regular Commission Meeting Minutes of July 22, 2025
- b. Travel Report dated August 12, 2025
- c. Vouchers (report dated August 12, 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: 110008-110092 and 110249-110283 in the amount of \$3,208,521.27.

Checks & Customer Refund Payments (CHK): 90455-90553 in the amount of \$329,707.69;
Electronic Fund Transfer (WIRE) Payments: 7339-7357 in the amount of \$7,625,486.09;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$1,210.00;
Payroll: Direct Deposit – 7/17/2025: 109854-110007 in the amount \$463,060.21 and 7/31/2025: 110093-110248 in the amount of \$480,285.62;
Voided checks (July 2025) in the amount of \$933.49;
Grand total - \$12,108,270.88.

- d. Work Order 725002 – Urban Trails Phase 1 Subdivision
- e. Jobs Report – Work Orders Less Than \$100,000
- f. Conservation Rebate Report – 2nd Quarter 2025
- g. Completion/Acceptance of Contract #24-38-01-Siefken & Sons Construction
- h. Contract Award to DP Wire & Cable - Contract #25-21-16
- i. Surplus of Transformers, Meters & Equipment – Resolution No. 2705

Management Report

IT & Broadband Services:

1. HIPAA Security - Director Chris Folta, along with Jody George and Paul Holgate, provided updates on HIPAA security. Jody explained that, as a self-funded health plan, the District is responsible for managing the program and has taken a conservative approach to compliance and the UIP as well as Benton PUD will continue to monitor regulatory changes. Paul Holgate discussed a 3rd party HIPAA security assessment of Benton PUD to evaluate processes, procedures, and policies which concluded that Benton PUD clearly prioritizes information security best practices. Director Folta emphasized the importance of securing information and implementing a policy due to its responsibilities as a trustee of the CWPU UIP health plan, even though it was concluded the District is not a covered entity under HIPAA.
2. NoaNet Bylaw Changes - Director Folta also reported on proposed NoaNet bylaw changes. NoaNet is considering amendments to its bylaws, articles of incorporation, and Washington Interlocal Cooperation Agreement, with the most significant change being to expand membership eligibility from electric utilities to all public agencies as defined by Washington statute. If approved, this change would allow the Spokane Broadband Development Authority, operating as Broadlinc, to become a member, as they are seeking NoaNet to manage and operate their broadband network. The proposal will be presented at the August 13th NoaNET Board of Directors meeting where the board members will vote. If approved, the proposal will be presented to the member representatives for consideration at a special meeting on September 10th where a vote to approve will require a two-thirds majority.

General Manager:

1. PPC/PNUCC Highlights – General Manager Rick Dunn discussed the following:

- a. BPA Transmission – reviewed slides from co-presentation with Mike Miller (BPA Acting Senior Vice President, Transmission Services) in General Manager Dunn’s role as PPC Vice-Chair of the Long-Range Planning Committee. The focus of the presentation was on BPA transmission metrics and exploring opportunities for greater transparency. Dunn also pointed out the right-of-way constraints associated with transmission lines traversing the Cascade Mountain range in Washington and Oregon, indicating that currently more than 70% of electricity demand west of the Cascades is met by generation located east of the mountains; and that doubling electricity demand (while also shutting down natural gas generation plants along the Interstate-5 corridor and relying solely on wind and solar farms located east of the Cascades for new power supply) means transmission flows from east-to-west will also have to more than double. Dunn said upgrading the “Cascade Bottleneck” is not a minor undertaking and that Washington and Oregon policy makers need to understand what capacity upgrades are feasible in existing transmission-line rights-of-way and how much new right-of-way (ROW) will be needed and where. Dunn said he is advocating for a serious discussion on what role the state of Washington could play in planning and acquiring new transmission line ROW rather than placing the entire burden on BPA; a burden that includes big costs for permitting and the high probability of needing to exercise eminent domain in acquiring additional ROW.
- b. BPAT Que Overview – reviewed BPA slides on planned transmission upgrades to address generator interconnection, new transmission service, and line/load interconnection.
- c. EFSEC Letter to Governor Inslee – discussed Energy Facility Site Evaluation Council’s Transmission Corridor Work Group (per requirement of the Clean Energy Transformation Act) which met six times prior to submitting a final report to Governor Inslee in October 2022. EFSEC claims the report outlines a path forward to achieve Washington’s clean energy future goals.
- d. Transmission Corridors Work Group Final Report – highlighted the executive summary contents. General Manager Dunn pointed out the Work Group participants included some highly qualified individuals but that the report came up short when it comes to identifying practical next steps needed to address the “Cascade Bottleneck”.
- e. Benton PUD staff is coordinating meetings with local elected officials, TRIDEC and Tri-Cities area utilities to discuss transmission issues further. These meetings are expected to occur over the next month or so and will be very timely given the expected release date of the Public Generating Pool’s Resource Adequacy study report planned for November. General Manager Dunn indicated that transmission issues and resource adequacy go together and that Washington legislators need a wakeup call in 2026.
- f. PNUCC – General Manager Dunn said Greg Cullen with Energy NW did a great presentation at the PNUCC meeting, providing an overview of the history and current state of nuclear power. The PNUCC agenda was also heavy on transmission issues which are currently at the top of the list of northwest utility

priorities. Dunn indicated he had a productive discussion with Nicole Hughes of Renewable Northwest following the PNUCC meeting and that he has a scheduled meeting with an Energy NW representative to discuss transmission issues and impacts on the prospects of new nuclear generation.

2. Rattlesnake Ridge Temporary Power Next Steps – General Manager Dunn stated the District’s Legal Counsel sent a letter to DOE stating the District’s intent to shut off the temporary power installation serving the communication facilities located on the top of Rattlesnake Ridge on September 2, 2025 absent a mutually agreed to indemnification agreement and formal written authorization to commence work on the agreed to permanent installation of a buried cable system. Dunn indicated the communications facilities have a source of backup power and that the District can no longer accept the increasing risk of continued delays in permitting the permanent installation.

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

Business Agenda

Cancel Contract Award to Irby - Award Contract to Trans American Power Products Sunset-Dallas 115KV Steel Poles - Contract #25-21-06

Manager Evan Edwards reported that Irby (CHM Industries Inc.), previously awarded the contract on July 8, 2025, signed the agreement and provided the required performance bond but later stated they could not fulfill the contract under the terms they had bid. The District contacted the next lowest responsive bidder, Trans American Power Products, who confirmed their original bid remained valid and was within the engineer’s estimate. The District recommends canceling the award to Irby and awarding the contract to Trans American Power Products.

MOTION: Commissioner Massey moved to authorize the General Manager, on behalf of the District, to cancel the original award of Contract #25-21-06 to Irby, originally approved on July 8, 2025, and to award and sign Contract #25-21-06 with Trans American Power Products for Sunset-Dallas 115 kV Poles in the amount of \$362,670.00, plus Washington State sales tax, in accordance with RCW 54.04.080. Commissioner Hall seconded, and upon vote, the motion carried unanimously.

2026-2027 Conservation Budget Plan

Director Chris Johnson reviewed the District’s 2026-2027 Conservation Budget Plan, which is updated every two years along with the Conservation Potential Assessment. The CPA establishes the conservation targets in compliance with the Energy Independence Act. Director Johnson recommended the Commission adopt the budget plan as presented. By following the Conservation Budget Plan, the District plans to self-fund approximately \$755,000 during the 2026-27 biennium to meet its adopted EIA target of 1.10 aMW. The \$4.1M BPA conservation funds allocated to the District cover most of the cost during the 2026-27 biennium.

MOTION: Commissioner Massey moved to approve the 2026-2027 Conservation Budget Plan as presented. Commissioner Hall seconded, and upon vote, the motion carried unanimously.

Performance Measurement Report – 2nd Quarter 2025

Sr. Director Jon Meyer presented the Performance Measurement 2nd Quarter 2025 Report and stated that 17 of the 17 performance measures were rated green with positive quarterly performance, although two had yellow (cautious) outlooks. The following performance measures were highlighted by staff: Telephone Service Level (green rating with a cautious outlook), Service Order Process (green rating), and Rates (green rating).

2025-2029 Mid-Year Strategic Plan Update

General Manager Rick Dunn provided a progress report to the Commission on the Mid-Year Strategic Plan Action Items and highlighted the following: implementation plans for next generation Supervisory Control and Data Acquisition (SCADA) communications network, complete transmission reliability improvement projects, marketing the EmPOWERED program, advocate for BPA Post 2028 contract terms and conditions, and work closely with Energy Northwest and other utilities to ensure Site-1 SMR project is thoroughly vetted and seriously considered.

Meeting Reports

TEA West Summit


Commissioner Hall reported that both he and Commissioner Sanders attended the TEA West Summit conference.

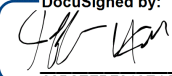
Executive Session – Review Performance of Public Employee

The Commission went into executive session with General Counsel Allyson Dahlhauser at 10:50 a.m. for five minutes to review the performance of a public employee. Also present were General Manager Rick Dunn and Assistant General Manager Steve Hunter. The Commission came out of executive session at 10:55 a.m.

Adjournment

Hearing no objection, President Hall adjourned the meeting at 10:55 a.m.

Signed by:
ATTEST:

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Mike Massey, Secretary

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Jeff Hall, President