

MINUTES

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

Date: January 13, 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
 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
 Supv. 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, Senior Engineer Power Management; Duane Szendre, Superintendent of Operations; 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; Shannon Sensibaugh, Administrative Assistant, II; Tyson Brown, Procurement Specialist II; Zach Underhill, Distribution Designer.

Call to Order & Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

No one was present to provide public comment. The meeting began with technical difficulties; once Microsoft Teams was working, there were no further technical issues for the remainder of the meeting, and no one was present on Teams to provide public comment.

Treasurer's Report

Keith Mercer, Director of Customer Service & Treasury Operations, reviewed the December, 2025 Treasurer's Report with the Commission as finalized on January 6, 2026.

Consent Agenda

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

- a. Commission Meeting Minutes of December 9, 2025
- b. Travel Report dated January 13, 2026
- c. Annual Travel Report dated January 13, 2026
- d. Vouchers (report dated January 13, 20026) 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: 112177-112177; 112335-112389; 112547-112631; 112789-112808 in the amount of \$3,019,968.14.

Checks & Customer Refund Payments (CHK): 91373-91578 in the amount of \$234,895.47; Electronic Fund Transfer (WIRE) Payments: 7460-7493 in the amount of \$11,388,888.52; Residential Conservation Rebates: Credits on Customer Accounts in the amount \$2,670.00;

Payroll:

Direct Deposit – 12/04/2025: 112178-112334 in the amount \$487,918.27;

Direct Deposit – 12/18/2025: 112390-112546 in the amount of \$505,183.38;

Direct Deposit – 12/31/2025: 112632-112788 in the amount of \$548,012.91

Voided DD (December, 2025) in the amount of \$10,877.13

Voided checks (December, 2025) in the amount of \$12,059.32;

Grand total - \$16,187,536.69

- e. Work Orders #741930 and #741586 – Agri-Northwest
- f. Cancel Contract with TUPS/Reject all Bids for purchase of 795 ACSR, Drake Conductor, 26/7 Str. - Contract #25-21-23
- g. Contract with Gary Lee and Associates – CO #5, Contract #22-22-01
- h. Completion/Acceptance of Contract with DJ's Electrical – Vista Bay 2 Metalclad Replacement, Contract #25-21-11
- i. Contract Award to Trace3 for Pure Storage, Contract #26-15-01
- j. Absco Solutions, Change Order #4, Contract #25-20-02

Management Report

Power Management – Director Chris Johnson

1. 2025 EV Update

Director Chris Johnson provided an update on Electric Vehicles (EVs). EV adoption in Benton County remains low, with approximately 1.6% of registered vehicles being electric. EV sales declined significantly in 2025 following the September 30, 2025 repeal of the federal tax credit, and individual automakers have reported substantial financial losses (billions annually) related to EV investments. The District has issued 102 EV rebates since 2019. He provided an update on charging stations in Tri-Cities (82) and noted the installation of new public fast-charging stations in Benton County, with additional stations scheduled for 2026.

2. EV Charging Station AC Marriott - Letter of Support

Director Johnson reported on the EV charging station project at the AC Marriott and stated that a letter of support of the project was sent out, as well as letters of support for two other projects.

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

1. Mutual Aid

Assistant General Manager/Sr. Director Steve Hunter reported on mutual aid assistance provided to Clark Public Utilities (41.5 total hours worked) and Snohomish PUD (51.5 total hours worked) during December 2025.

2. Sunheaven Update

Assistant General Manager/Sr. Director Hunter provided an update on the Sunheaven Transmission and Substation project, including construction timelines and anticipated energization on July 27, 2026. The estimated total project cost has been updated to approximately \$4.75 million.

3. Convention Center Load Addition

Assistant General Manager/Sr. Director Hunter reported on anticipated electrical load increases associated with the Convention Center expansion and related development, including expected including base and peak load requirements to support HVAC, lighting, and occupancy needs for the building and hotel.

4. South County Transmission Outage

Assistant General Manager/Sr. Director Hunter reported on the McNary-Berrian South County transmission outage that occurred on December 13, 2025, impacting 490 customers for approximately six hours. He also discussed a second outage on December 17, 2025.

Finance/Executive Administration – Senior Director Jon Meyer

1. Subject Residential Exchange Update

Senior Director Jon Meyer reported that comments on BPA's settlement concept which were due December 18, 2025 did not provide broad support for settlement. BPA will not pursue the settlement concept further and will return to the formal public workshop process for the Residential Exchange discussions. He also discussed the current processes

underway and upcoming proposed records of decision, including the Residential Purchase and Sale Agreement, the Average System Cost methodology, and the 7(b)(2) rate test.

2. 2024 State Audit Update

Kent Zirker, Accounting Manager, provided a brief update on current audits, including the Department of Revenue excise tax audit, which resulted in a \$50,000 refund due to a pole contact revenue classification change; and the financial statement audit, with auditors returning in February and an exit conference to be scheduled. He added that the State Auditor's accountability audit is wrapping up and focused on capital assets and depreciation, with a possible recommendation anticipated but no formal findings expected. A conservation audit is also preparing to begin.

The Commission briefly recessed, reconvening at 10:30 a.m.

General Manager – Rick Dunn

1. Chris Folta 30-year Anniversary

General Manager Rick Dunn recognized IT/Broadband Director Chris Folta's 30-year anniversary and highlighted his career progression and positions held at Benton PUD.

2. PPC's CRSO Legal Filing Summary & Irrigator Impacts

General Manager Rick Dunn provided an update on the Columbia River System Operations (CRSO) litigation, specifically on the Public Power Council's filing of an Opposition to the Motions for Preliminary Injunction. He noted the case dates to May 2001 and includes over 2,500 docket entries. He reported PPC's declarations included a power impacts analysis which estimates the cost of implementing the Plaintiff's proposed actions would be approximately \$152-\$162 million annually. PPC also included the testimony of an independent fish biologist in their filing which declared the conservation benefits of the Plaintiff's requests were somewhere between speculative and nonexistent. He also shared that Darryll Olsen (Columbia River Snake Irrigators Association) requested an opportunity to brief the Commission, and the Commission indicated it was open to Mr. Olsen coming to meet with the Commission.

3. TMDL Status w/ NWRP WA Dept of Ecology Comments

General Manager Rick Dunn reported that Northwest RiverPartners submitted comments to the Washington Department of Ecology regarding implementation of the temperature Total Maximum Daily Load (TMDL). He noted the comments pointed out that water temperatures in the Snake and Columbia Rivers have at times in the past exceeded the state's standards where the rivers cross the borders of Idaho and Canada respectively, which sets up dams for failure. He also noted the TMDL analysis performed by the Environmental Protection Agency prior to handing over water temperature regulatory authority to Washington State was significantly flawed and that previous studies by Pacific Northwest National Laboratory and others have shown the water impoundments behind the dams can actually be beneficial to regulating water temperatures given the depth of the water column and cooling actions that occur when water passes through turbines, or in cases where Dworshak dam is drafted to supply cold water into the Snake River.

4. Columbia River Treaty Update

General Manager Rick Dunn reported that the PPC (Public Power Council) Executive Committee provided an update on the Columbia River Treaty negotiations between Canada and the United States. He noted there is optimism that Senator Risch from Idaho who has high standing with the Trump Administration will be able to help get the final agreement across the finish line.

5. Seattle Times Article re: Transmission

General Manager Rick Dunn reported on the recent Seattle Times editorial that argues Washington's clean energy mandates are outpacing the reality of constructing new transmission lines needed to interconnect and deliver carbon-free electricity. The article highlighted that the Bonneville Power Administration should be treated as a vital partner, not an obstacle as they are being portrayed in the media, thanks to comments by a number of high-profile elected officials. GM Dunn stated Governor Kotek of Oregon had thrown BPA "under the bus" in a press conference recently. GM Dunn also stated that Dawn Lindell, CEO of Seattle City Light had the quote of the year which was provided in the editorial: "There is no transition without transmission". The editorial concluded that either legislators must confront the barriers keeping us from a decarbonized future or admit it's a dream that must be deferred and that Washington consumers, businesses, utility operators and environmental leaders must hold them accountable. GM Dunn and Commissioners agreed with the editorial wholeheartedly.

6. State Transmission ROW Authority – Barnard Bill

General Manager Rick Dunn reported that Representative Stephanie Barnard's bill related to establishing a state transmission right-of-way authority was withdrawn due to lack of support.

7. TC Cares Amicus Request

General Manager Rick Dunn reported that TC Cares (a group opposing the Scout HHH Wind Farm project) asked whether Benton PUD would be willing to file an amicus brief ("friend of the court") in their case being heard by the Washington State Supreme Court. GM Dunn noted the District's general counsel had been briefed on the request, and that the schedule for submitting a brief is doable if Benton chooses to participate. TC Cares requested the focus of the brief should be on the value of the Project. The Commission unanimously supported Staff in filing the requested brief which will be brought to the Commission for approval in a public meeting.

8. Cancel Feb. 24 Meeting – Legislative Rally

General Manager Rick Dunn said that since all three commissioners will be attending the Legislative Rally in Washington D.C., he asked whether they wanted to cancel the February 24 Commission meeting. The Commission agreed to cancel.

9. Substack Update

General Manager Rick Dunn provided an update on his Substack publication and noted he recently authored a new article entitled "Washington's Self-Inflicted Energy Burden" and that it had received over 3,700 views and growing.

10. Benton REA Fixed Cost Adjustment

General Manager Rick Dunn discussed Benton REA's approach to fixed cost recovery, noting that Benton REA increased its residential base charge from \$25.00 to \$29.95,

contrasting that approach with Benton PUD's implementation of a demand charge which is proportionate to a customer's peak usage, which is under their control. GM Dunn noted an average District customer with a 7 kilowatt demand is contributing to fix cost recovery at the same level as the REA's base charge.

11. Error in Carbon Emissions

General Manager Rick Dunn noted an error in recent carbon emissions reporting by the Washington Department of Ecology and that it referenced millions of metric tons, when the correct figure was thousands of metric tons, a fraction of what was originally reported.

Business Agenda

Acknowledgement of Conflict-of-Interest Requirements-2026

Clerk of the Board Cami McKenzie indicated that, on an annual basis and in a public forum, each Commissioner shall acknowledge their obligation to disclose any conflicts of interest as defined in RCW 42.23.

MOTION: Commissioner Sanders moved to acknowledge each commissioner understands and affirms their conflict-of-interest disclosure responsibilities as defined in RCW 42.23 and as adopted under Governance Policy No. 10 – Commission Members' Code of Conduct. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

Resolution No. 2718 – Providing for the Reimbursement of Certain Expenditures Out of the Issuance and Sale of Reimbursement Bonds

Director Keith Mercer noted that on December 9, 2025, the Board authorized the General Manager to proceed with developing plans to issue up to \$32 million in bonds. Resolution No. 2718 does not approve or obligate the District to issue bonds, but provides flexibility if bonds are issued.

If bonds are issued, it is advantageous to reimburse prior eligible capital expenditures to comply with IRS arbitrage requirements. This resolution allows reimbursement of certain eligible capital expenditures incurred 60 days prior to the date of adoption of the resolution, out of the issuance and sale of reimbursement bonds, from the proceeds of any new money revenue bonds issued during the following 18 months.

MOTION: Commissioner Sanders moved to adopt Resolution No. 2718 providing for the reimbursement of certain expenditures out of the issuance and sale of reimbursement bonds. Commissioner Massey seconded and upon vote, the motion carried unanimously.

Executive Session – Performance of Public Employee

The Commission went into executive session with Rick Dunn at 11:18 a.m. for 20 minutes to review the performance of a public employee. The Commission came out of executive session at 11:40 a.m. and went back into executive session for an additional 10 minutes. The Commission came out of executive session at 11:50 a.m.

Adjournment

Hearing no objection, President Hall adjourned the meeting at 11:50 a.m.



Jeff Hall, President

ATTEST:



Mike Massey, Secretary