

## **MINUTES**

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

Date: January 27, 2026

Time: 9:00 a.m.

Place: 2721 West 10<sup>th</sup> 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  
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

**Absent:** Assistant General Manager/Sr. Director Engineering & Operations Steve Hunter

**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; Jodi Henderson, Manager of Communications & Government Relations; Karen Dunlap, Manager of Human Resources; Kent Zirker, Manager of Accounting; Michelle Ochweri, Manager of Procurement; Paul Holgate, Cyber Security Engineer III; Robert Inman, Superintendent of Transportation & Distribution; Robert Frost, Supervisor of Energy Programs; Shanna Everson, Distribution Designer; Shannon Sensibaugh, Administrative Assistant, II; Tyson Brown, Procurement Specialist II.

#### **Call to Order & Pledge of Allegiance**

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. Regular Commission Meeting Minutes of January 13, 2026.
- b. Travel Report dated January 27, 2026
- c. Vouchers (report dated January 27, 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: 112809-112833 and 112991-113020 in the amount of \$1,368,640.08.  
Checks & Customer Refund Payments (CHK): 91579-91646 in the amount of \$310,043.42;  
Electronic Fund Transfer (WIRE) Payments: 7495-7504 in the amount of \$731,258.73;  
Payroll: Direct Deposit – 1/15/2026: 112834-112990 in the amount \$443,333.88;  
Grand total - \$2,853,276.11
- d. 10<sup>th</sup> Avenue Reconductor - Work Order #730174
- e. 2025-4<sup>th</sup> Quarter Procurement Contracts Activity & Tariff Report
- f. DJ's Electrical, Inc. Completion and Acceptance – Contract #25-21-22

## **Business Agenda**

### **Columbia Snake River Irrigator's Association (CSRIA) Response to Preliminary Injunction Update**

Darryll Olsen, CSRIA Board representative, provided an update on CSRIA's response to the renewed litigation and pending preliminary injunction affecting Columbia and Lower Snake River operations. He reported that CSRIA has filed an intervenor-defendant response to the renewed litigation and pending preliminary injunction, noting that CSRIA supported the prior settlement and litigation stay and did not agree with the federal decision to rescind participation. He stated that proposed Minimum Operating Pool drawdowns would significantly impact irrigation systems, with estimated capital costs of \$100–200 million and increased annual pumping and maintenance costs of \$10–20 million, and emphasized that irrigators did not cause the current situation and should not be penalized. CSRIA has asked the Court to consider alternatives to MOP drawdowns, including maintaining pool elevations above approximately 261 feet, consistent with flood control considerations, and to allow additional time for analysis and mitigation planning. Mr. Olsen reported that irrigators are closely monitoring the case and expect a decision from the Court by mid-February.

### **Cancellation of February 24, 2026 Meeting**

Clerk of the Board Cami McKenzie indicated that all three Commissioners will be attending the WPUDA/APPA Legislative Rally in Washington D.C. during the week of February 23, 2026 and will

not be physically present for the regularly scheduled meeting on February 24, 2026. Additionally, there are no agenda items that need to come before the Commission on February 24, 2026 and virtual attendance by the Commission members is not required.

**MOTION:** Commissioner Sanders moved to cancel the District's regular Commission meeting scheduled for 9:00 a.m. on Tuesday, February 24, 2026 as presented. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

**Power Purchase Agreement Contract #01-51-13 – CO#5 – Letter of Intent – Nine Canyon Wind Project Life Extension Offtake**

Power Management Director Chris Johnson presented the Energy Northwest Letter of Intent to authorize the General Manager to sign, formally stating the District is not interested in entering into a new Power Purchase Agreement (PPA), and authorizing the execution of any documents required to complete the exit from the current Nine Canyon Wind Project Power Purchase Agreement.

Director Johnson noted that, since transitioning to a load-following customer, the District planned to exit the Nine Canyon PPA when it expires in 2030. A new opportunity now exists to exit the contract earlier. Energy Northwest is proposing to repower the Nine Canyon project, which would allow the District to exit the PPA in 2026 and realize approximately \$3.2 million in savings over the remaining 4 ½ -year contract term.

**MOTION:** Commissioner Sanders moved to authorize the General Manager on behalf of the District to sign the Energy Northwest Letter of Intent - Nine Canyon Wind Project Life Extension Offtake, formally state that the District is not interested in entering into a new 10- to 20-year Power Purchase Agreement; and authorize execution of any additional documents required to complete the exit from current Power Purchase Agreement (PPA) Contract #01-51-13. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

**Management Report**

***IT & Broadband Services – Director Chris Folta***

**1. NoaNet Update**

Director Chris Folta reported that the NoaNet Board of Directors will consider resolutions on February 11, 2026 to adopt changes to the foundational Interlocal Agreement and to admit Bigfoot Communications, LLC, acting as a tribal enterprise owned by the Confederated Tribes of the Colville Reservation, as a new member. He said he will present a resolution to the Commission on February 10 authorizing Commissioner Hall, as the District's Member Representative, to vote in favor of resolutions pertaining to these actions and authorize the General Manager to sign the amended Interlocal Agreement, contingent on Board and Member Representative approval.

## **2. Broadband Revenue Update**

Director Chris Folta and Rich Nall of NoaNet reported that broadband revenues exceeded \$3 million in 2025, marking a significant milestone for the District. Commissioners and General Manager Dunn congratulated the broadband team on their achievement.

### ***Finance/Executive Administration – Senior Director Jon Meyer***

#### **1. Use of Climate Commitment Act Allowance Revenues**

Senior Director Jon Meyer reported that WPUDA sent an inquiry to PUDs in response to a question from State Representative Doglio on how PUD's are using revenue from the sale no cost emission allowances received under the Climate Commitment Act (CCA) from the Department of Ecology, and if any of those revenues were directed toward low-income assistance programs. The CCA states that allowances can be used for compliance or consigned to auction for sale, or a combination of both. It further states revenues from allowances sold must be used to benefit ratepayers, with the first priority to mitigate rate impacts to low-income customers. He gave the following overview of the District's response to WPUDA. The District, and many other utilities, were allocated no cost allowances from Ecology that were in excess of the allowances needed to comply with the CCA for the first reporting period. The District sold allowances that were in excess of compliance need through several auctions and received a total of \$3.6 million. These funds were set aside in a separate fund for future use to be determined by the District's Commission. Ecology has since determined that it used an incorrect methodology to allocate these no cost allowances which resulted in allocating too many to utilities. Ecology plans to claw these allowances back by reducing future allocations. Had the District known this, no allowances would have been sold and held onto for CCA compliance. As a result, the District is planning to use the \$3.6 million proceeds from previous sales to buy future allowances for compliance.

#### **2. Financial Report**

Senior Director Jon Meyer provided the Commission with a financial report for December, 2025.

The Commission recessed, reconvening at 10:20 a.m.

### ***General Manager – Rick Dunn***

#### **1. NWPPA Panel & PNGC Presentation Highlights**

General Manager Rick Dunn previewed key points from his upcoming participation as a panelist at the NWPPA Power Supply Conference in Portland next week and a PNGC Power presentation he will be giving the following week, focusing on the uncertainty of regional demand and energy forecasts, increasing uncertainty related to resource adequacy, and the mixed messages coming from the Northwest Power and Conservation Council and the Bonneville Power Administration who have indicated "all is well" versus the somewhat dire conclusions of the E3 Resource Adequacy study which have made the headlines. E3 has concluded that the Northwest could be facing as much as a 9,000-megawatt shortfall by 2030 during cold winter temperatures which occur during drought years associated with low hydro generation. GM Dunn pointed out the

shortfall is expected to be reduced by 3,000 megawatts of new generating capacity associated with coal-to-natural gas conversion and the completion of wind, solar and battery projects.

**2. House Bill 2413 – Washington Policy Center (WPC) Todd Meyers**

General Manager Rick Dunn provided an update on House Bill 2413, sponsored by Representative Stephanie Barnard, which seeks to provide regulatory certainty under the Clean Energy Transformation Act to allow investment in new energy generation resources, including potential exemptions for natural gas needed to meet resource adequacy metrics. He noted that Todd Myers with the Washington Policy Center has been in touch with him to review the proposed conditions under which natural gas would be exempt from CETA including the role of the Northwest Power and Conservation Council resource adequacy assessment. GM Dunn plans to propose alternative language for consideration.

**Meeting Reports**

The Commission reported on attendance at the WPUDA and Energy Northwest meetings.

**Closed Session - Collective Bargaining**

General Manager Rick Dunn requested the Commission enter a closed session to discuss collective bargaining matters.

**Adjournment**

Hearing no objection, President Hall adjourned the meeting at 11:23 a.m.



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Jeff Hall, President

ATTEST:



Mike Massey, Secretary