

MINUTES

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

Date: November 12, 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
Director of Power Management Chris Johnson
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
Director of IT & Broadband Services Chris Folta

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; Dax Berven, Senior Engineer; 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; Katie Grandgeorge, Financial Analyst III; 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; Jody George, HR Generalist III; Kayla Sidwell, Sr. Communications Specialist; Tyler Scott, IT System Administrator III.

Call to Order & Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

No changes.

Public Comment

None.

Treasurer's Report

Keith Mercer, Director of Customer Service & Treasury Operations, reviewed the October, 2025 Treasurer's Report with the Commission as finalized on November 4, 2025.

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 October 28, 2025
- b. Travel Report dated November 12, 2025
- c. Vouchers (report dated November 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: 111629-111712 in the amount of \$1,019,056.17;
Checks & Customer Refund Payments (CHK): 91185-91257 in the amount of \$103,601.97;
Electronic Fund Transfer (WIRE) Payments: 7427-7430 in the amount of \$940,380.04;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$850.00;
Payroll: Direct Deposit – 10/23/2025: 111474-111628 in the amount \$476,203.53;
Grand total - \$2,540,091.71
- d. Resolution No. 2714 – Adopting the 2026-2030 Strategic Plan
- e. Easement Grant – City of Prosser Sanitary Sewer Project
- f. 3rd Quarter Procurement Contracts – Activity & Tariffs Report

Management Report

Power Management – Director Chris Johnson

1. White Creek Update

The District entered a contract with White Creek Energy in 2007 as a purchaser that includes an option to purchase the project at the end of the term in 2027; however, the District does not intend to pursue purchasing the project. Benton PUD currently utilizes only the associated Renewable Energy Credits (RECs) to meet Energy Independence Act requirements and does not take generation to load because it is a load-following customer.

The owner of White Creek is considering offering a buyout payment to the energy purchasers in lieu of exercising the end-of-term purchase option. A formal offer is

expected soon, and Director Johnson acting as the designated representative will vote on approving the buyout payment to the Energy Purchasers.

Customer Service/Treasury – Director Keith Mercer

1. PURMS Update

Director Mercer reported on the annual Public Utility Risk Management Services (PURMS) board meeting, noting that PURMS consists of 19 members - 18 utilities and NoaNet, and operates three self-insurance pools, with Benton participating in the liability and property pools. The District pays an average of about 9% across the two pools. Liability is expecting a 7.5% increase (approximately \$100,000) primarily due to wildfire-related costs. PURMS has experienced several difficult months with high claim activity. The District is self-insured up to \$1 million. Vehicle coverage is being reviewed, as current coverage is \$250,000 while vehicles are travelling and 100% when parked, with consideration being given to increasing the travelling coverage to \$750,000. Additionally, wildfire pool discussions have been put on hold.

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

1. Rattlesnake Distribution Line Update (Evan Edwards)

Manager Evan Edwards reported that it has been approximately 3.5 years since the Rattlesnake distribution line blew down and was damaged. Under the District's agreement with the Department of Energy, a contractor has been onsite over the past month installing new underground cable up the hill. He shared photos of the work, noting that the project was completed as of last Thursday.

Finance/Executive Administration – Senior Director Jon Meyer

1. Residential Exchange Process

Senior Director Jon Meyer provided an overview of how and why the Residential Exchange Program (REP) was enacted into Federal law by the 1980 Northwest Power Act and how financial payments are being paid to investor-owned utilities (IOUs) through a settlement agreement during the current BPA contract. BPA is leading a series of public workshops on how it intends to implement the REP for post-2028 contracts. Feedback from stakeholders will be considered prior to BPA issuing Records of Decision in 2026 or 2027 on how the REP will be administered post-2028. Recently, IOUs sent a letter to the Department of Energy (DOE) requesting DOE to become involved with BPA's process, and a letter to the BPA Administrator urging BPA to bring the region together and find a solution. In response, BPA paused its workshops and released a Settlement Concept outlining a framework for calculating REP IOU benefits to gauge interest from both sides. Public power trade associations will be talking to their members next week to determine if there is interest to continue discussions regarding a post-2028 settlement and provide comment to BPA which are due November 18.

2. 2024 Accountability Audit

Senior Director Meyer informed the Commission that the State Auditor will begin the 2024 accountability audit, which focuses on compliance with laws and internal controls.

The auditor may reach out to the Commission President, and they hope to have the audit completed by year-end.

General Manager – Rick Dunn

1. Regional Energy Symposium – Video/Letter - NWGA/PNUCC – Pacific Northwest: A System Under Increasing Strain

General Manager Rick Dunn provided an update on the Regional Energy Symposium held in Portland on October 8th and hosted by the Northwest Gas Association (NWGA) and Pacific Northwest Utilities Conference Committee (PNUCC). He explained the gathering was intended to raise awareness of urgent reliability risks and that natural gas continues to play a major role in maintaining regional reliability, especially during cold weather when wind and solar may provide little or no power. The Symposium highlighted the growing interdependence between the gas and electric systems and the need for coordinated regional planning, and the urgency of modernizing and permitting new infrastructure. A short video was shown during the Commission meeting, underscoring that: the region's energy system is already under significant strain, natural gas remains essential during peak demand and low renewable periods, coordinated communication between utilities is essential to avoid outages, and timely investment in infrastructure is necessary to meet growing demand and support the region's clean-energy transition driven by Washington and Oregon legislation.

2. WRAP Update

General Manager Rick Dunn reported that additional utilities have recently withdrawn from the Western Resource Adequacy Program (WRAP). He explained that WRAP is a voluntary program, and participation has declined as utilities evaluate unresolved issues, including how contractually binding deficiency charges would be assessed, the need for further development of the planning reserve margin methodology, and questions surrounding the program's governance and alignment with the region's supply-and-demand outlook. Dunn noted that transmission-related challenges also remain a significant factor and that WRAP participants must reserve at least 75 percent of the transmission needed to deliver capacity. Overall, the lack of new dependable capacity being driven by Washington and Oregon 100% carbon-free energy policies together with the delays in constructing new transmission lines is making it very hard for WRAP to stay together. Manager noted there were 12 participants who had formally committed to the resource-adequacy program since September out of the 23 that have been working on WRAP.

3. Fish Spill & Reliability Risks – (Randy Hardy) – ClearingUp

General Manager Dunn summarized an opinion piece by former BPA Administrator Randy Hardy regarding the potential impacts of a proposed injunctive 24/7 spill requirement at the eight lower Columbia and Snake River dams. The measure could result in an estimated daytime loss of 200–600 average megawatts (aMW) of hydropower at John Day dam year round and a loss of 500 aMW across all eight dams due to extending summer spill from August 1st to the 31st. Dunn explained that continuous spill would also eliminate periods of zero flow that are sometimes needed (at the Lower Snake River dams in particular) to store energy in advance of extremely cold weather. Without zero flow capability, which

is only implemented when salmon are not migrating downstream or upstream, there would probably be a loss of 200-300 aMW during daytime hours which is significant during cold snaps. He emphasized that the regional hydro system is already highly constrained, and additional court-driven restrictions would further tighten reliability conditions, with blackout risks likely to intensify over the next several years, particularly during periods of drought.

4. AWBI Energy Solutions Summit – ClearingUp

General Manager Dunn reviewed highlights from Clearing Up's coverage of the Association of Washington Business Institute's (AWBI) Energy Solutions Summit. Manager noted that Governor Ferguson was quoted as saying "One thing is for sure; this is not the time to turn back to old energy sources", which was clearly a reference to coal and natural gas. The article indicated Ferguson left the AWBI meeting before hearing from utility CEOs about the importance of investing in new natural gas-fired generation to avoid blackouts. GM Dunn noted the closing lines of the Clearing Up article stated "All signs point to the need for new natural gas-fired generation. But is anyone in Olympia, Washington, or Salem, Oregon, listening".

5. Highlights from PPC (LRP) NWRP & PNUCC Annual Meetings

General Manager Dunn reported on the recent Public Power Council (PPC), Northwest River Partners (NWRP), and PNUCC annual meetings. The highlight of the PPC meeting was a panel discussion with former Bonneville Power Administration administrators. PPC's Washington DC lobbyist, Sam McDonald, provided an update on federal permitting and transmission reform efforts aimed at reducing delays from prolonged NGO legal challenges. PPC's federal hydropower litigation update indicated that Judge Simon's ruling on the motion for injunctive relief requiring significantly increased spill, which would begin in March 2026, should be coming soon after the filing deadlines in mid-December. PPC is registered as a "defendant-intervenor" and will be filing in opposition to the motion for injunctive relief before December 15th. GM Dunn noted that BPA has shown improved engagement with PPC's Long-Range Planning Committee of which he is the Vice-Chair, including better transparency on staffing, project execution, and customer-funded upgrades. He also highlighted the positive outreach efforts of NWRP, including pro hydro ads at airports and on the covers of influential newspapers in Seattle and Portland. Recent NWRP surveys show nearly 80% support for hydropower regardless of political affiliation and rising public concern over affordability, which has now exceeded concern over climate change. At PNUCC, the primary theme was the need for unprecedented regional cooperation between electric and natural gas utilities if the Pacific Northwest wants to achieve a reliable, affordable, and resilient energy future.

6. IBEW Negotiations Update

General Manager Rick Dunn reported that IBEW 77 wage negotiations are currently underway. The District jointly negotiates benefits with the other six Central Washington Public Utilities (CWPU) but negotiates wages separately in partnership with Franklin PUD. CWPU benefits negotiations resulted in no changes. Benton and Franklin have completed the first round of meetings with IBEW and have additional sessions scheduled in the coming weeks. The current IBEW contract expires in April 2026.

The Commission recessed, reconvening at 11:11 a.m.

Business Agenda

Resolution No. 2712 – Authorization to Execute Policies Delegating Authorities for Fiduciary Oversight & Administration of District Retirement Plans

Jody George, HR Generalist, presented a resolution giving the General Manager authority to amend by policy, the individuals at the District responsible for providing fiduciary oversight and management of the District's retirement plans. The District's five retirement plans have all previously been approved by commission resolution. MissionSquare requires the District to formally designate positions authorized to execute and administer plan documents. Resolution No. 2119 created the Retirement Benefits Committee, who later adopted HR Policy 54 to delegate plan administration. For efficiency, the committee now recommends revising the policy to designate the District Auditor, as Committee Chair, to serve as Trustee/Plan Coordinator in place of the General Manager, and to authorize the General Manager to amend the policy as needed to maintain alignment with the District's organizational structure.

MOTION: Commissioner Sanders moved to approve Resolution No. 2712, Authorizing the General Manager to Execute Policies Delegating Authorities for Fiduciary Oversight and Administration of District Retirement Plans as presented. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

Paramount Communications – CO #7 - Contract #21-46-12

Michelle Ochweri, Manager of Procurement, presented Change Order No. 7 to Contract #21-46-12 with Paramount Communications, explaining the District's use of the Washington State master contract for IT cabling and broadband construction services. The change order extends the contract term to November 30, 2026 and increases the not-to-exceed amount by \$700,000 to ensure continued broadband and IT cabling support.

MOTION: Commissioner Massey moved to authorize the General Manager, on behalf of the District, to execute Change Order #7 to Contract #21-46-12 with Paramount Communications, Inc., extending the contract term to November 30, 2026, and increasing the not-to exceed (NTE) amount by \$700,000, for a revised total of \$3,600,000, in alignment with Washington State Contract #05620 – IT Cabling as presented. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

CompuNet, Inc. – Cisco Projects – CO #5 – Contract #22-15-01

Manager Duane Crum presented Change Order #5 to Contract #22-15-01 with CompuNet, Inc. noting the District's long-term use of CompuNet for Cisco network communications, hardware support, and technical expertise. The contract is tied to the Washington State/NVP contract, which the District has utilized since 2022. The change order extends the contract to September

30, 2026, and increases the not-to-exceed amount by \$1,107,000, for a revised total of \$3,544,000.

MOTION: Commissioner Sanders moved to authorize the General Manager on behalf of the District to sign Change Order #5 of Contract #22-15- 01 (Washington State Contract #05819) with CompuNet, Inc., to extend the contract to September 30, 2026; and increase the not-to-exceed amount by \$1,107,000.00, bringing the new not-to-exceed amount to \$3,544,000.00 as presented. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

2025 Q3 Performance Measure Report

Sr. Director Jon Meyer presented the Performance Measurement 3rd Quarter 2025 Report and stated that 17 of the 17 performance measures were rated green with positive quarterly performance.

The following performance measures were highlighted by staff: Telephone Service Level (green rating), Electric Reliability Indices (green rating), Electric System Outages (green rating), and Infrastructure Component Reliability (green rating).

Other Business

General Manager Dunn reminded the Commission of the public hearing on the Preliminary 2026 Budget and Rate Increase scheduled for 6:00 p.m. this evening.

Future Planning

Discussion on Generators

Commissioner Sanders raised concerns about planning related to customer-owned generators. She suggested the District put some effort into customer education, particularly around generator safety and emergency preparedness. The Board agreed that a safety-focused campaign would be beneficial.


Meeting Reports

WPUDA Meetings

Commissioner Hall confirmed he would be able to attend the WPUDA board meeting by Zoom and Jodi Hendeson would be able to attend the energy meeting by Zoom.

Adjournment

Hearing no objection, President Hall adjourned the meeting at 11:44 a.m.

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Jeff Hall, President

Signed by:
ATTEST:

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Mike Massey, Secretary