

MINUTES

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

Date: May 26, 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
Assistant General Manager/Sr. Director Engineering & Operations Steve Hunter
Chief Financial Officer Jon Meyer
Chief Operating Officer Chris Folta
Director of IT & Broadband Services Jennifer Holbrook
Director of Human Resources & Communications Karen Dunlap
Director of Conservation & Distributed Energy Resources Chris Johnson
Director of Customer Service and Treasury Keith Mercer
Director of Engineering Evan Edwards
Supervisor 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: Blake Scherer, Manager of Power Supply & Transmission Service; Duane Szendre, Superintendent of Operations; Eric Dahl, Communications Specialist II; Jenny Sparks, Manager of Communications & Customer Engagement; Jodi Henderson, Manager of Government & Community Relations; Katie Grandgeorge, Financial Analyst III; Kent Zirker, Manager of Accounting; Levi Lanphear, Procurement Administrator; Michelle Ness, Supervisor of Distribution Design; Michelle Ochweri, Manager of Procurement; Robert Frost, Supervisor of Energy Programs; Shanna Everson, Distribution Designer; Shannon Sensibaugh, Administrative Assistant, II; Tyson Brown, Procurement Specialist II; Zach Underhill, Distribution Designer; Shawn Harper, Superintendent of Support Services; Jessie Grad, Assistant Superintendent of Transmission & Distribution.

Call to Order & Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

An executive session to discuss potential litigation was added to the agenda.

Public Comment

None.

Consent Agenda

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

- a. Regular Commission Meeting Minutes of May 12, 2026
- b. Travel Report dated May 26, 2026
- c. Job Report – Work Orders up to \$100,000
- d. Vouchers (report dated May 26, 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: 114879-114956 in the amount of \$1,963,690.88.
Checks & Customer Refund Payments (CHK): 92115-92212 in the amount of \$189,401.66;
Electronic Fund Transfer (WIRE) Payments: 7595-7606 in the amount of \$603,866.02;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$920.00;
Payroll: Direct Deposit – 5/7/2026: 114725-114878 in the amount \$514,149.14;
Void DD (May, 2026) in the amount of \$1,915.21;
Voided checks (May, 2026) in the amount of \$317.46;
Grand total - \$3,272,027.70

Management Report

IT/Broadband – Director Jennifer Holbrook

1. NoaNet Update - BEAD Funding

Director Holbrook reported that NoaNet received approval for BEAD (Broadband Equity, Access, and Deployment) funding, a federal grant program focused on expanding broadband access to unserved and underserved areas. NoaNet was awarded approximately \$174 million to support approximately 36,000 broadband projects. The buildout timeline is four years, and NoaNet has appointed a senior manager to assist with implementation and expenditure oversight.

2. NoaNet - Colville Tribe Update

Director Holbrook stated that, as of today, the Colville Tribe has not yet accepted its invitation to join NoaNet. The deadline for acceptance is May 28. If the Tribe does not take action during its board meeting tomorrow and misses the deadline, the NoaNet Member Representatives may need to vote on extending the invitation.

3. NoaNet - Member Representative Transition

Director Holbrook discussed the upcoming transition of the NoaNet member representative position due to Commissioner Hall’s decision not to seek re-election. The

role may be filled by either a staff member or a commissioner. Commissioner Sanders and Commissioner Massey indicated they would each attend a meeting before making a decision regarding their interest in serving.

Chief Financial Officer - Jon Meyer

1. Financial Report

Chief Financial Officer Jon Meyer provided the Commission with a financial report for April 2026.

2. CCA Auction Participation (Climate Commitment Act)

CFO Meyer explained that under the Climate Commitment Act (CCA), utilities must purchase carbon allowances for compliance purposes, while excess allowances may be sold. Benton PUD initially received more allowances than required and generated approximately \$3.6 million in revenue through allowance sales. Mr. Meyer further reported that the Washington Department of Ecology later revised its allocation methodology and reduced future allowance allocations, resulting in a projected deficit position for Benton PUD and a need to buy allowances. Due to this change, Benton PUD now anticipates using previous allowance revenue to buy back allowances and paused on making a decision regarding how to spend any net allowance revenue. Upcoming auctions include 2026 and 2029 vintage allowances. Previous auctions of future vintage allowances have settled at a significant discount, approximately half the cost of current compliance-year allowances. Benton PUD plans to participate in the next auction and bid on 2029 vintage allowances. Auction results are expected the day following the next Commission meeting.

General Manager – Rick Dunn

1. WTA & WSAC Presentation Highlights

General Manager Rick Dunn reviewed highlights from presentations he will be giving to the Washington Trucking Association and Washington State Association of Counties regarding state energy policy impacts and concerns regarding increasing data center electricity demand respectively. General Manager Dunn noted that the WTA presentation focuses on how out of touch with reality Washington energy policies are, and how financial and ecological costs of the Clean Energy Transformation Act and Climate Commitment Act will do nothing measurable to impact global climate. General Manager Dunn further explained that the WSAC presentation focuses on the rapid growth of data centers and artificial intelligence (AI) power demands across the country and the concerns that are mounting in the Pacific Northwest.

Business Agenda

2026 Energy Independence Act Compliance Reports

Director Chris Johnson reviewed Benton PUD’s 2026 Energy Independence Act (EIA) Renewable Energy and Conservation Compliance Reports prepared for submittal to the Washington State

Department of Commerce. He explained that the District is required to annually demonstrate compliance with state renewable energy and conservation requirements by June 1.

Director Johnson reported the District's 2026 renewable energy requirement target is 30.71 aMW, or 269,006 MWh, and that existing Renewable Energy Credit (REC) contracts are sufficient to meet the District's 15% renewable energy requirement. He also reported the District's conservation report for 2024-2025 biennium met and exceeded the District's 1.11 aMW target by 0.52 aMW.

MOTION: Commissioner Sanders moved to adopt substantially in the form presented, Benton PUD's 2026 Energy Independence Act (EIA) Renewable Energy and Conservation compliance reports for submittal to the Washington State Department of Commerce. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

2026 Retail Load Forecast for 2026-2036 – Resolution No. 2726

Manager Blake Scherer presented the District's updated 2026 Load Forecast for 2026–2036, explaining that the forecast is revised annually and is used to support the District's financial planning, including cost of service analysis, the Resource Plan, the Power Supply Plan, the Five-Year Capital plan, and the annual budget. The forecast supports Bonneville Power Administration planning and the regional load forecast prepared by Pacific Northwest Utilities Conference Committee.

Manager Scherer emphasized that Benton PUD's projected growth does not reflect the significant regional load growth currently being discussed in the media, noting the District does not serve large data centers or high-tech manufacturing loads.

Manager Scherer reviewed key forecast assumptions and trends, including projected annual retail load growth from 205.7 aMW in 2027 to 209.1 aMW in 2036, continued residential customer growth, conservation impacts, and electricity intensive load considerations. He also discussed forecast methodology, conservation assumptions, system losses, and projected growth across multiple customer classes.

MOTION: Commissioner Sanders moved to approve Resolution No. 2726 adopting the 2026 Load Forecast for 2026-2036, as presented. Commissioner Massey seconded, and upon vote, the motion carried unanimously.

Contract Recommendation - Federal Engineering, Inc. - Contract #26-20-03

Director Holbrook presented a contract recommendation for consulting and engineering services associated with the District's private LTE (pLTE) telecommunications modernization initiative.

Director Holbrook reviewed prior Benton PUD work completed by Federal Engineering, including telecommunications assessments, conceptual design, spectrum evaluation, and preliminary

engineering analysis for the Operational Technology Telecommunications Network initiative. Director Holbrook recommended continuing with Federal Engineering due to the firm's extensive familiarity with the District's existing infrastructure, proposed RF design, and long-term operational objectives.

The contract amount of \$255,000 was included in the District's 2026 Capital Plan and Federal Engineering will be ready to proceed starting June 1.

MOTION: Commissioner Massey moved to authorize the General Manager on behalf of the District to sign and award Contract #26-20-03 to Federal Engineering, Inc. for consulting & engineering services related to pLTE project in the amount of \$255,000.00, as presented. Commissioner Sanders seconded, and upon vote, the motion carried unanimously.

The Commission briefly recessed, reconvening at 10:35 a.m.

Enterprise Risk Management Update

Director Keith Mercer provided an update regarding the District's Enterprise Risk Management (ERM) program, including the development and evolution of the program, current managed, emerging, and focused risks, and ongoing efforts supporting the District's strategic objectives and governance responsibilities.

Mr. Mercer reviewed the ERM process, risk categories, and the history of Benton PUD's ERM program, including periodic program reviews and recent updates to the District's online risk management tools and classifications.

The following emerging risks were discussed:

- Exposure of District and customer data using artificial intelligence tools.
- Increased regional blackout risk associated with resource adequacy and grid reliability concerns.

The following focused risks were also reviewed:

- Public injury or electrocution.
- Growth of distributed and customer generation.
- Enterprise physical security planning.
- Wildfire mitigation.
- Declining support for hydropower.
- Erosion of local control.
- Supply chain and inventory challenges.
- Communication failures during outages and system emergencies.

No action was requested by the Commission.

Future Planning

Commissioner Sanders requested information regarding the remaining NoaNet meetings. Shannon Sensibaugh will distribute the remaining meeting dates on Commissioner Sanders' and Commissioner Massey's calendars for review.

Meeting Reports

Commissioner Massey reported that he was elected to serve on the participants review board for Energy Northwest.

Executive Session – Potential Litigation

The Commission went into executive session at 10:25 a.m. for 10 minutes with Attorney Allyson Dahlhauser to discuss potential litigation. Also, present were General Manager Rick Dunn, Chief Operating Officer Chris Folta, Assistant General Manager Steve Hunter, Chief Financial Officer Jon Meyer, and Director Keith Mercer. The Commission came out of executive session at 11:35 a.m.

Adjournment

Hearing no objection, President Hall adjourned the meeting at 11:35 a.m.



Jeff Hall, President

ATTEST:



Mike Massey, Secretary