

MINUTES

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

Date: April 8, 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
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; 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.

Call to Order & Pledge of Allegiance

The Commission and those present recited the Pledge of Allegiance.

Agenda Review

No changes.

Public Comment

None.

Business Agenda

Moss Adams Exit Conference – 2024 Financial Audit

Kent Zirker, Manager of Accounting, introduced Moss Adams, the District's financial statement auditor. Additionally, he provided a letter to the Commission outlining the auditing standards, responsibility, and any findings.

Keith Simovic, Moss Adams presented via/MS Teams, the 2024 Financial Audit results and discussed the following:

- Nature of services provided, including a report and technical review on financial statements; report on internal controls over financial reporting, compliance with government auditing standards, and communication with the governance board.
- Audit Opinion/Reports provided:
 - Unmodified clean opinion on financial statements;
 - Government auditing standards report – no findings and no material weaknesses.

Treasurer's Report

Keith Mercer, Director of Customer Service & Treasury Operations, reviewed the March, 2025 Treasurer's Report with the Commission as finalized on April 1, 2025.

Consent Agenda

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

- a. Regular Commission Meeting Minutes of March 25, 2025
- b. Travel Report dated April 8, 2025
- c. Vouchers (report dated April 8, 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: 107886-107931; 108082-108122 in the amount of \$1,890,581.45.
Checks & Customer Refund Payments (CHK): 89806-89848 in the amount of \$105,816.64;
Electronic Fund Transfer (WIRE) Payments: 7233-7244 in the amount of \$954,954.51;
Residential Conservation Rebates: Credits on Customer Accounts in the amount \$600.00;
Payroll: Direct Deposit – 03/27/2025: 107932-108081 in the amount \$425,745.28;
Voided checks (March, 2025) in the amount of \$70.95;
Grand total - \$3,377,697.88.
- d. Work Order 722279 – Creason Ridge Subdivision
- e. Quit Claim Deed – Parcel 1-1780-401-1609-005

Management Report

Engineering/Operations:

1. Meter Exchange Update – Assistant General Manager/Senior Director Steve Hunter updated the Commission on the meter exchange program and showed a map of the progress. In 2009, about 20,000 meters were installed with a 15-year life. The meter exchange program started in 2024 and involves changing out approximately 3,100 meters per year (with a 20-year life for the new meters) by a two-person team. He said they were two weeks into the process for 2025 and it would take another four years at least to finish the program. There were nine damage claims last year from customers that experienced equipment failures in their homes following meter exchanges. To minimize the possibility of a potentially damaging transient overvoltage which can occur during routine switching or disconnection of energized electrical circuits, the exchange teams will use the remote disconnect device included in all 200-amp meters to interrupt the flow of electricity to a customer's electric service prior to pulling the meter out of the socket.
2. Outage – Assistant GM/Senior Director Hunter updated the Commission on a small outage on Hwy 395 near Southridge area caused by a lightning strike.

General Manager:

1. Sunheaven Farms New Transmission Line & Substation Update – General Manager Rick Dunn discussed a request to enter into a deferred payment plan for the customer's required contribution-in-aid-of-construction in the amount of as much as \$3.6 million and paid back over time. Based on research completed by the District's Legal Counsel, he said this sort of arrangement is legally acceptable and there was precedence. However, staff is not ready to make a final recommendation as there are outstanding variables to resolve relative to potential cost sharing with Benton REA as well as system benefits that are possible for the District which could be rate based. The customer is needing the total project to be completed in advance of the fall of 2026. Once the planning process is complete, staff will include a recommendation to Commission on a future Business Agenda. There was a discussion as to whether there are currently any District policy constraints on the amount of advanced funding that can be offered or what happens if multiple customers make a request. General Manager indicated that "special contracts" have not been explicitly defined by the District in terms of policy limitations. Commissioner Sanders asked to include criteria about the District's ability to enter this type of agreement with other customers, if requested, without discriminating. On a related topic of transmission planning in south Benton County, General Manager indicated staff is working with Benton REA on a Plymouth development which requires wheeling significant amounts of power over the District's transmission system and that preliminary studies have revealed some concerns with BPA capacity at their McNary substation. Assistant GM/Senior Director Hunter has a meeting scheduled with BPA on Wednesday to discuss this issue further.
2. WA Dept of Ecology TMDL/Water Temperature Regulation – General Manager Dunn indicated Northwest RiverPartners attended a briefing hosted by the Washington Department of Ecology where agency staff announced it would be restarting a process to

regulate Columbia and Snake River temperatures under the Clean Water Act and planned to provide new plans, which could include breaching or any number of changes, by late 2025 or early 2026. General Manager indicated Ecology temperature thresholds may be impossible to meet given the temperature of Snake River water at the Idaho border can exceed Washington state limits. General Manager reminded Commissioners of how the State of Washington worked with the Biden Administration to regulate dams as sources of “heat pollution” under federal standards enforced by the Environmental Protection Agency and that EPA digital models of river temperatures had been determined to be fatally flawed by Northwest RiverPartners and others; and that a PNNL study had previously shown dams can be beneficial to managing water temperatures.

3. Columbia River Treaty/Impacts on Irrigators – General Manager Dunn said new flood risk management operations under the terms of the Columbia River Treaty agreement in principle reached last July will result in deeper and longer drawdowns at Grand Coulee and John Day dams in years when snowpack is moderately high to make room for potential floodwaters during spring runoff. This could delay irrigation operations by a few weeks. At this point, District irrigation customers have not expressed significant concern with the increased probability of John Day pool drawdowns, which have happened in the past, just not as frequent as expected going forward.
4. 12/14 Agreement Update – General Manager Dunn said there continue to be very strong rumors the “12/14 Agreement” would be terminated.
5. PPC Update & Vice Chair of LRP Committee – General Manager Dunn said the most recent PPC Executive Committee meeting included an extensive discussion regarding BPA issuing their draft decision on participating in SPP Markets+. He indicated BPA’s final decision is coming in May and that BPA has opened a 30-day comment period for stakeholder comments on the draft decision, and that BPA is coming under tremendous political pressure from Washington, Oregon and NGOs who favor BPA joining CAISO’s Extended Day Ahead Market (EDAM). General Manager shared that he has been elected to serve as the Vice Chair of PPC’s Long Range Planning Committee which interacts regularly with BPA Transmission executives to try and improve BPA’s performance.
6. Site 1 Small Modular Reactor – General Manager Dunn said he continues to recommend the District opt out of Phase 1 of the Energy Northwest SMR Project but retain the right to participate in Phase 2. General Manager indicated an opt out letter would be provided by EN and that he would sign it on behalf of the District. The Board concurred. Commissioner Sanders expressed her concern that there should be some benefit coming back to EN owners through payments by Amazon to the EN Energy Services & Development division, and that Amazon should be asked to refund the money provided by utilities like Benton who helped get the SMR project off the ground. General Manager confirmed the District had provided \$100,000 but with nothing in the agreement indicating a refund would occur. Commissioner Sanders said the District was getting the benefit of retaining the right to participate in Phase 2 that others were getting for free. General Manager indicated he had a meeting on his schedule later in the week with SMR project managers.

Meeting Reports

Energy Northwest Meeting

Commissioner Sanders said Energy Northwest had asked for responses from candidates for the Executive Board and she had not seen a response from Senator Matt Behnke, so she did not know if he was still interested in applying.

The Board briefly recessed, reconvening at 11:05 a.m.

Executive Session – Potential Litigation

The Commission went into executive session at 11:06 a.m. for 15 minutes with General Counsel Allyson Dahlhauser to discuss potential litigation. Also present were General Manager Rick Dunn and Clerk of the Board Cami McKenzie.

The Commission came out of executive session at 11:21 a.m. and announced it needed an additional five minutes. The Commission came out of executive session at 11:26 a.m.

Adjournment

Hearing no objection, President Hall adjourned the meeting at 11:26 a.m.

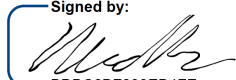

Signed by:

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Jeff Hall, President

ATTEST:

Signed by:



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Mike Massey, Secretary