

**MINUTES OF THE
ENERGY NORTHWEST
REGULAR BOARD OF DIRECTORS' MEETING
HOLIDAY INN EXPRESS – VINEYARD ROOM
4525 CONVENTION PLACE
PASCO, WASH.
APRIL 23, 2014 – 9 A.M.**

The Regular Meeting of the Board of Directors of Energy Northwest was called to order by President Linda Gott at 9 a.m. in Vineyard Room of the Holiday Inn Express in Pasco, Wash. There was a quorum present. An environmental analysis of the April 23, 2014, Regular Board of Directors' meeting agenda had been prepared which reflected that all items on the agenda were exempt from further procedural compliance with the State Environmental Policy Act (SEPA).

ROLL CALL

PUD No. 1 of Asotin County	Judy Ridge	Present
PUD No. 1 of Benton County	Lori Sanders	Present
PUD No. 1 of Ferry County	Doug Aubertin	Absent
PUD No. 2 of Chelan County	Ann Congdon	Present
PUD No. 1 of Clallam County	Will Purser	Present
PUD No. 1 of Clark County	Jim Malinowski (Alternate)	Present
PUD No. 1 of Cowlitz County	Buz Ketcham	Present
PUD No. 1 of Franklin County	Bill Gordon	Present
PUD No. 2 of Grant County	Terry Brewer	Present
PUD No. 1 of Grays Harbor County	Arie Callaghan	Present
PUD No. 1 of Jefferson County	Barney Burke	Present
PUD No. 1 of Kittitas County	Shan Rowbotham	Present
PUD No. 1 of Klickitat County	Dan Gunkel	Present
PUD No. 1 of Lewis County	Chuck TenPas	Present
PUD No. 1 of Mason County	Jack Janda	Present
PUD No. 3 of Mason County	Linda Gott	Present
PUD No. 1 of Okanogan County	Steve Houston	Present
PUD No. 2 of Pacific County	Diana Thompson	Present
PUD No. 1 of Pend Orielle County	Curt Knapp	Present
PUD No. 1 of Skamania County	Clyde Leach	Absent
PUD No. 1 of Snohomish County	Kathy Vaughn	Present
PUD No. 1 of Wahkiakum County	Bob Jungers	Present
City of Centralia	M.L. Norton	Present
City of Port Angeles	Phil Lusk	Present
City of Richland	Robert Hammond	Present
Seattle City Light	Mike Jones	Present
Tacoma Public Power	Ted Coates (Alternate)	Present

Others Present: Executive Board members Sid Morrison, Tim Sheldon, Skip Orser and Marc Daudon; Bonneville Power Administration representative Mark Jones; Participants Review Board members Karl Denison, Mason County PUD No. 1; and Stu Nelson, Franklin County PUD; Legislative Liaison Shirley Reese; and Eric Rockett, Rockett Science.

Staff Present: Mark Reddemann, Dale Atkinson, Bob Dutton, Grover Hettel, Brent Ridge, Brad Sawatzke (Thursday only), David Briggs, John Irvan, Mike Paoli, Scott Praetorius, Cristina Reyff, Laura Scheele, Angela Smith, and Jeff Windham.

Mr. Barney Burke led the group in the Pledge of Allegiance.

Mr. Bill Gordon announced that there was a quorum present.

Ms. Kathy Vaughn thanked fellow members of the Board of Directors for their support and kind words following the recent Oso mudslide.

COMMENTS FROM MEMBERS OF THE PUBLIC

Hearing none, the next agenda item was addressed.

APPROVAL OF MINUTES

The following meeting minutes were presented for approval:

- Special Board of Directors Meeting – Jan. 23, 2014
- Special Joint Board of Directors and Executive Board Meeting – Jan, 23, 2014

The motion for the approval of minutes was moved and seconded. MOTION CARRIED.

OPENING REMARKS

Hearing none, the next agenda item was addressed.

BOARD OF DIRECTORS BUSINESS

SELECTION OF ONE EXECUTIVE BOARD MEMBER FROM THE PUBLIC

President Gott asked Steve Houston to report on the Ad Hoc Search Committee's recommendation of the Energy Northwest Executive Board outside director position – a four year term.

Mr. Houston reported on behalf of the committee; they recommend William "Skip" Orser be re-appointed to the Executive Board.

President Gott asked if there were additional nominations from the floor. Hearing none, President Gott presented Board of Directors' Resolution No. 1352, entitled, "A RESOLUTION SELECTING AND APPOINTING A MEMBER OF THE EXECUTIVE BOARD FROM THE PUBLIC" for consideration and nominated William "Skip" Orser to serve on the Executive Board for a four-year term ending June 16, 2018. The resolution was moved and seconded. BOARD OF DIRECTORS' RESOLUTION 1352 ADOPTED BY UNANIMOUS VOTE.

ELECTION OF FIVE EXECUTIVE BOARD MEMBERS FROM THE BOARD OF DIRECTORS

President Gott requested each Board of Directors member indicate whether or not they would like to be nominated for one of the five open positions. Those indicating they would like to be a nominee for the election process included: Barney Burke, Ann Congdon, Bill Gordon, Linda Gott, Dan Gunkel, Jack Janda, Will Purser, Lori Sanders and Kathy Vaughn. Doug Aubertin and Clyde Leach were absent with no alternate in attendance; and Jim Malinowski (alternate from Clark Public Utilities) abstained from voting. Therefore, there were 24 board members in attendance to vote for a total of 25 ballots due to Snohomish PUD receiving two votes (any members having in excess of 10 percent total generation of Energy Northwest projects receive an additional vote). A majority of 13 votes is needed for each of the five positions.

Ballot number one was distributed and board members were given time to record their votes. Mike Paoli, Public Affairs manager and Laura Scheele, Public Affairs senior analyst collected the ballots. Mr. Paoli read the ballots aloud for Ms. Scheele and Angela Smith, Board Relations, to record.

The meeting recessed at approximately 10 a.m. for a break; the meeting reconvened at approximately 10:30 a.m.

Mr. Paoli announced the five individuals receiving the necessary majority of at least 13 votes were Linda Gott, Jack Janda, Will Purser, Lori Sanders and Kathy Vaughn.

President Gott presented Board of Directors Resolution No. 1353 entitled, "A RESOLUTION DECLARING THE ELECTION OF THE MEMBERS OF THE EXECUTIVE BOARD FROM THE MEMBERSHIP OF THE BOARD OF DIRECTORS" for consideration. The resolution was moved and seconded for adoption. BOARD OF DIRECTORS' RESOLUTION NO. 1353 UNANIMOUSLY ADOPTED.

Mr. Karl Denison suggested the election process for future elections be reviewed. President Gott requested this topic be added to the July agenda for consideration of forming a committee.

UPCOMING MEETINGS

President Gott announced that the next quarterly Board of Directors meeting is scheduled for July 23, 2014, at the Holiday Inn Express in Pasco, Wash.

REPORT BY THE CHIEF EXECUTIVE OFFICER

Mark Reddemann, Chief Executive Officer, opened by welcoming new Board of Directors members Arie Callaghan from Grays Harbor PUD and Shan Rowbotham from Kittitas PUD.

Mr. Reddemann discussed the agency's reorganization and shared the Executive Board's Excellence in Governance pocket-sized policy book. He also updated the board on the recent notification of the NRC fee increase, and discussed the recent federal court decision in Energy Northwest's favor, which awarded \$19.3 million to the agency to cover maintenance costs incurred from 2006 to 2012 at the used fuel storage facility. Additionally, he provided information regarding the current used fuel campaign to move used fuel from the pool to dry

storage. He also thanked Sid Morrison and Kathy Vaughn for touring the plant earlier in the week to observe loading of the fuel assemblies.

Other topics addressed included the state's formation of a Nuclear Energy Task Force, the latest on small modular reactor progress, upcoming regional presentations and project performance.

Mr. Reddemann also thanked Curt Knapp for his strong and impactful leadership as the previous president of the Washington Public Utility District Association, and congratulated recently elected Diana Thompson as president of the association.

ADJOURNMENT

President Gott asked if there was any other business to be brought before the board. Hearing none, she thanked everyone for attending and adjourned the Board of Directors meeting at 11:01 a.m.

Respectfully submitted by,

Angela Smith
Board Relations