

**Minutes of the Energy Northwest  
Board of Directors Ad Hoc Inside Director Committee Meeting  
Multi-Purpose Facility – Glenn C. Walkley room  
Teleconference  
3000 George Washington Way  
Richland, Wash.  
Oct. 2, 2014 – 11 a.m.**

The meeting of the Ad Hoc Inside Director Committee of the Energy Northwest Board of Directors was called to order at 11 a.m. by Committee Chair Steve Houston.

**Committee Members Present:**

Steve Houston, Chair  
Terry Brewer  
Linda Gott, ex officio  
Kathy Vaughn

**Staff Present:** Mark Reddemann, Bob Dutton, Carla Martinez, Angela Smith

**Others Present:** Board of Directors member – Phil Lusk, City of Port Angeles and Cherie Sonoda, Bonneville Power Administration.

**Approval of Minutes**

The following meeting minutes were presented for approval:

- BOD Ad Hoc Inside Director Committee – Sept. 2, 2014

Mr. Terry Brewer moved that the minutes be approved. Ms. Kathy Vaughn seconded.  
MOTION CARRIED.

**Polling of Board of Directors Members regarding staggered terms**

Committee members shared their results of inquiring with the Board of Directors members.

Feedback is as follows:

Member Utility	Board Member Name	Interest in Staggered Terms (Yes/No)
Asotin County PUD	Judy Ridge	No
Benton County PUD	Lori Sanders	Yes
City of Centralia	ML Norton	Yes
Chelan County PUD	Ann Congdon	Yes
Clallam County PUD	Will Purser	Yes
Clark County PUD	Nancy Barnes	Yes
Cowlitz County PUD	Buz Ketcham	Yes
Ferry County PUD	Doug Aubertin	Yes
Franklin County PUD	Bill Gordon	No
Grant County PUD	Terry Brewer	Yes
Grays Harbor County PUD	Arie Callaghan	Yes
Jefferson PUD	Barney Burke	Yes
Kittitas County PUD	Shan Rowbotham	n/a (to be contacted)
Klickitat County PUD	Dan Gunkel	n/a (to be contacted)
Lewis County PUD	Chuck TenPas	n/a (to be contacted)
Mason County PUD #1	Jack Janda	n/a (to be contacted)

**Special Meeting of the  
Ad Hoc Inside Directors  
Committee of the  
Board of Directors**

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Mason County PUD #3	Linda Gott	No
Pacific County PUD	Diana Thompson	Yes
Okanogan County PUD	Steve Houston	Yes
Pend Orielle PUD	Curt Knapp	Yes
City of Port Angeles	Phil Lusk	No
City of Richland	Bob Hammond	No
Seattle City Light	Mike Jones	No
Skamania County PUD	Clyde Leach	No
Snohomish County PUD	Kathy Vaughn	No
Tacoma Public Utilities	Bill Gaines	n/a (to be contacted)
Wahkiakum County PUD	Bob Jungers	No

Summary of results is as follows:

**Yes: 13**

**No: 9**

**N/A (to be contacted – not reached yet): 5**

Board majority requires 14 votes for either way; therefore the remaining board members who have not yet provided feedback will be contacted. Feedback will be sent to Angela Smith who will then distribute the results to the committee for discussion at the next Ad Hoc Inside Director Committee meeting.

Ms. Linda Gott shared feedback from one of the board members who mentioned considering the possibility of term limits.

Mr. Bob Dutton stated that it does not specify in the Revised Code of Washington or the Board of Directors Rules, only that the rules state that the Board of Directors elected to the Executive Board will be elected at one time. Amendments to the board rules can be made with approval from the board. However, the topic of term limits would also need to be included in the research of staggered terms and the history of the statute, if the majority of the board agrees.

Mr. Houston provided an option to consider addressing staggered terms which includes asking one of the current Inside Directors on the Executive Board to resign and then immediately run for re-election, thereby establishing a staggered term.

The committee discussed this option. In the past, if a board member resigned from the Executive Board, an election would take place to fulfill the remainder of the current term, rather than creating the start of a new four-year term.

The committee continued discussion and agreed that the board member resigning would need assurance that they would be re-elected to the new term.

Mr. Dutton shared a portion of Board of Director Rule 9 which states "Any such vacancy shall be filled by election for the remainder of the unexpired term to the Executive Board promptly after the occurrence." Therefore, a rule amendment would need to be made if it was the desire of the board. However, the necessary research of the statute must first take place to ensure this is allowable within the law.

**Informal Inside Directors procedure**

Committee members discussed the current informal process for the Inside Director election and provided recommendations for modifying it. Recommendations included:

- Modify section two and replacing it with language requesting interested candidates to submit to the Board of Directors president and Energy Northwest Board Relations staff, their interest to run for election for the Executive Board and provide their resume. This information would then be distributed to all Board of Directors members by staff by a specific time prior to the election.
- Modify section three clarifying nominations of only those who previously submitted their interest and resume would remain on the ballot (indicating nominations from the floor would not be permitted).
- Add a section stating staff will provide the Board of Directors the procedure at the October and January Board of Directors meeting prior to the April election.

The committee would also like to propose an amendment to the current Board of Directors Rule – Appendix A, section eight to prohibit floor nominations for the Outside Director position.

The committee asked staff to update the language in the documents and send out to the committee for review and discussion at an upcoming meeting to be scheduled and held within the next two weeks. Staff committed to updating the documents and scheduling a meeting.

At the next meeting, the committee will also discuss final feedback from the remaining board members, in preparation for presenting the information at the Oct. 23 Board of Directors meeting for the board's consideration. Request for approval is tentatively planned for the January 2015 meeting.

**Commitment Review/Provide Majority-based Direction**

- Contact remaining Board of Directors Members – Terry Brewer and Kathy Vaughn
- Email committee members remaining Board of Directors Members feedback – Angela Smith – as soon as available
- Revise informal Inside Director Election procedure based on committee's input and email the committee – Angela Smith
- Schedule Ad Hoc committee meeting within the next two weeks – Angela Smith

Hearing no further discussion, the Ad Hoc Search Committee meeting was adjourned at 11:37 am.

Respectfully submitted,

Angela Smith  
Board Relations