

**Minutes of the  
Energy Northwest  
Regular Board of Directors Meeting  
Holiday Inn Express – Vineyard Room  
4525 Convention Place  
Pasco, Wash.  
Jan. 28, 2015**

President Linda Gott called the regular meeting of the Energy Northwest Board of Directors to order at 9:01 a.m. in the Vineyard Room of the Holiday Inn Express, Pasco, Wash. There was a quorum present. An environmental analysis of the Jan. 28, 2015, 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.

**Roll Call**

PUD No. 1 of Asotin County	Gary Hicks (alt.)	Present
PUD No. 1 of Benton County	Lori Sanders	Present
PUD No. 1 of Ferry County	Doug Aubertin	Present
PUD No. 2 of Chelan County	Carnan Bergen	Present
PUD No. 1 of Clallam County	Will Purser	Present
PUD No. 1 of Clark County	Jim Malinowski	Present
PUD No. 1 of Cowlitz County	Ned Piper	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	Dean Dahlin (alt.)	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	Liz Green	Present
PUD No. 1 of Snohomish County	Kathy Vaughn	Present
PUD No. 1 of Wahkiakum County	Bob Jungers	Absent
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	Bill Gaines	Absent

**Others Present:** Executive Board members – Sid Morrison and Skip Orser; Participants Review Board member – Stu Nelson, Franklin PUD; Energy Northwest member commissioner – Curt Esch, Skamania PUD; PSAV – Blaine Johnson.

**Staff Present:** Mark Reddemann, Brad Sawatzke, Brent Ridge, Grover Hettel, Bob Dutton, Jim Gaston, Mike Paoli, Dave Briggs, Carla Martinez and Angela Smith.

## **Regular Board of Directors Meeting**

Secretary Bill Gordon confirmed there was a quorum present.

Mr. Dean Dahlin led the group in the Pledge of Allegiance.

### **Comments from Members of the Public**

Hearing no comments from members of the public, the next item on the agenda was addressed.

### **Approval of Minutes**

The following meeting minutes were presented for approval:

- Special Joint Board of Directors / Executive Board Meeting – Oct. 23, 2014
- Regular Board of Directors Meeting – Oct. 23, 2014

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

### **Other Business**

President Gott presented Board of Directors' Resolution No. 1359 – A resolution expressing appreciation for Clyde Leach's contributions as a member of the Board of Directors of Energy Northwest.

Mr. Barney Burke moved to approve Resolution No. 1359. Ms. Diana Thompson seconded.

President Gott then opened the floor to Dr. Leach who shared his gratitude for the resolution.

President Gott opened the floor for additional comments. Hearing none, President Gott called for the question. BOARD OF DIRECTORS' RESOLUTION NO. 1359 UNANIMOUSLY ADOPTED.

President Gott presented Board of Directors' Resolution No. 1358 – A resolution expressing appreciation for Buz Ketcham's contributions as a member of the Board of Directors of Energy Northwest.

AND

Board of Directors' Resolution No. 1356 – A resolution expressing appreciation for Nancy Barnes' contributions as a member of the Board of Directors of Energy Northwest.

AND

Board of Directors' Resolution No. 1355 – A resolution expressing appreciation for Ann Congdon's contributions as a member and president of the Board of Directors of Energy Northwest.

Ms. Diana Thompson moved to approve Resolutions 1358, 1356 and 1355. Ms. Kathy Vaughn seconded.

President Gott opened the floor up for comments. Hearing none, President Gott called for the question. BOARD OF DIRECTORS' RESOLUTION NOS. 1358, 1356 and 1355 UNANIMOUSLY ADOPTED.

### **Board of Directors Officer Elections**

President Gott turned the meeting over to Ad Hoc Committee Chair Diana Thompson to provide a report for the committee's actions regarding the Board of Directors officer election.

Committee Chair Thompson shared that the committee consisting of herself, Ms. Judy Ridge and Mr. Curt Knapp each took a third of the names of board members and contacted them to ask their interest in being an officer for the board for the 2015 – 2017 term. The committee met by phone in December and discussed the results.

Those members who stated interest in being an officer included: Terry Brewer, Grant PUD as president; Barney Burke, Jefferson PUD; Arie Callaghan; Grays Harbor PUD; and Phil Lusk, City of Port Angeles for any position. Additionally Bill Gordon, Franklin PUD was interested in continuing in the position of secretary.

Given there were more members interested than officer positions, the committee recommended Mr. Terry Brewer for president given his current role as vice president; and recommended an election for the other positions.

### **President**

Committee Chair Thompson nominated Mr. Terry Brewer for president.

President Gott opened the floor for additional nominations. Hearing none, Ms. Kathy Vaughn moved to close the nominations for president. Ms. Lori Sanders seconded. MOTION CARRIED.

President Gott asked for a show of hands of those voting for Mr. Brewer for president. Hand votes are as follows for Mr. Brewer: 22.

Mr. Brewer received a majority vote.

### **Vice President**

President Gott opened the floor for vice president nominations.

Committee Chair Thompson nominated Mr. Barney Burke, Mr. Arie Callaghan and Mr. Phil Lusk.

President Gott opened the floor for additional nominations. Hearing none, Ms. Kathy Vaughn moved to close the nominations for vice president. Ms. Lori Sanders seconded. MOTION CARRIED.

President Gott asked for a show of hands for each candidate. Hand votes are as follows: Mr. Barney Burke: 16; Mr. Arie Callaghan: 6; and Mr. Phil Lusk: 2.

Mr. Burke received the most votes for vice president.

Secretary

President Gott opened the floor for secretary nominations.

Committee Chair Thompson nominated Mr. Bill Gordon.

President Gott opened the floor for additional nominations. Hearing none, Ms. Kathy Vaughn moved to close the nominations for secretary. Ms. Lori Sanders seconded. MOTION CARRIED.

President Gott asked for a show of hands for those voting for Mr. Gordon. Hand votes are as follows for Mr. Gordon: 24.

Mr. Gordon received a majority vote.

Assistant Secretary

President Gott opened the floor for assistant secretary nominations.

Committee Chair Thompson nominated Mr. Arie Callaghan and Mr. Phil Lusk.

President Gott opened the floor for additional nominations. Hearing none, Ms. Kathy Vaughn moved to close the nominations for vice president. Ms. Lori Sanders seconded. MOTION CARRIED.

President Gott asked for a show of hands for each candidate. Hand votes are as follows: Mr. Arie Callaghan: 17; and Mr. Phil Lusk: 6.

Mr. Callaghan received the most votes for assistant secretary.

Committee Chair Thompson moved to elect the slate of officers for the 2015 – 2017 term as follows: Mr. Terry Brewer as president, Mr. Barney Burke as vice president, Mr. Bill Gordon as secretary and Mr. Arie Callaghan as assistant secretary. The motion was seconded. MOTION CARRIED.

Board of Directors and Executive Board members shared their appreciation for Ms. Linda Gott in her role as president for the 2013 – 2015 term.

Ms. Gott turned the gavel over to President Terry Brewer who also thanked Ms. Gott for her service.

#### **Update on Inside Director Election Process**

Mr. Robert Dutton, General Counsel and Chief Ethics Officer, presented on the history behind staggered terms for the Inside Director on the Energy Northwest Executive Board. Key points included: the current statute, legislative history of the Revised Code of Washington 43.52.374 and conclusions based from staff's research.

Discussion ensued and the board requested further discussion on whether or not the board should introduce a bill allowing for staggered terms. It was recommended that Shirley Reese and Jim Rowland provide a presentation at the next Board of Directors meeting to provide guidance and advice if the board desires to pursue a bill regarding staggered terms.

#### **Board of Directors Rules Amendment: Inside Director Election Appendix C**

Committee Chair Steve Houston reminded board members that the proposed addition of Appendix C – Procedure for the election of the Inside Director of the Energy Northwest Executive Board, Pursuant to RCW 43.52.374 was presented to the board during the Oct. 23, 2014 Board of Directors meeting. He then opened the floor for discussion.

Board discussion ensued regarding section 6, last sentence which read, "Votes shall represent the utility's vote, not the individual Board of Directors member." Specifically, the use of the word "shall" and whether or not it should be "should" and that it should represent the utility's vote.

Ms. Lori Sanders moved to amend section 6, last sentence to "Votes shall represent the interest of the utility represented, not the individual Board of Directors member." Ms. Kathy Vaughn seconded.

Mr. M.L. Norton questioned the use of the word "shall" based on previous discussion.

Ms. Sanders moved to amend section 6, last sentence to "Votes should represent the interest of the utility represented, not the individual Board of Directors member." Ms. Kathy Vaughn seconded. MOTION CARRIED.

Committee Chair Steve Houston moved to approve the amended rules as discussed during the Jan. 28, 2015 meeting through Board of Directors Resolution No. 1357 – A resolution amending the rules of the Board of Directors of Energy Northwest. Ms. Kathy Vaughn seconded.

President Brewer opened the floor up for comments. Hearing none, President Brewer called for the question. BOARD OF DIRECTORS' RESOLUTION NO. 1357 UNANIMOUSLY ADOPTED.

**Outside Director**

Committee Chair Houston shared that currently the BOD Rules, Appendix A – Procedure for the Selection and Appointment of the Outside Director of the Energy Northwest Executive Board, Pursuant to RCW 43.52.374 does allow for floor nominations. Given the recent adoption of Appendix C, which does not allow floor nominations, he posed the question of whether or not it is the board's desire to take floor nominations out of Appendix A.

President Brewer requested the Ad Hoc Committee for Inside Director Election reconvene for discussion and a recommendation. Committee Chair Houston agreed.

**Board Orientation Interest**

Mr. Mike Paoli, Public Affairs manager, requested board members contact staff if they are interested in participating in an upcoming board member orientation, currently scheduled for April 21. President Brewer requested staff send an email to all board members with the request.

**Upcoming meeting**

President Brewer reminded the board that the April Board of Directors meeting will be held on April 22 at the Holiday Inn Express in Pasco, Wash.

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

The following new commitments were added:

- Present information and guidance on what might be involved in introducing a bill regarding staggered terms for Inside Directors on the Executive Board – Shirley Reese and Jim Rowland – April 2015 BOD meeting
- Discuss and provide a recommendation regarding Board of Directors Rules – Appendix A and its allowance of floor nominations – Ad Hoc Committee for Inside Director Election – prior to April 2015 BOD meeting
- Send all Board of Directors members notification of upcoming board member orientation – Angela Smith – Feb. 26

Hearing no further discussion, President Brewer adjourned the regular Board of Directors Meeting at 10:15 a.m.

Respectfully submitted by,

Angela Smith  
Board Relations