

**Minutes of the
Energy Northwest
Regular Executive Board Meeting
Energy Northwest
Holiday Inn Express – Vineyard Room
4525 Convention Place
Pasco, Wash.
July 22 – 23, 2015**

Chair Sid Morrison called the regular meeting of the Executive Board of Energy Northwest to order at 12:49 p.m. on July 22, 2015 in the Vineyard Room of the Holiday Inn Express, Pasco, Wash. There was a quorum present. An environmental analysis of the July 22 – 23, 2015 regular Executive Board 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

Executive Board Members

Sid Morrison, Chair	Present (Wednesday only)
Jack Janda, Vice Chair	Present
Lori Sanders, Secretary	Present
Dave Remington, Assistant Secretary	Absent
Marc Daudon	Absent
Linda Gott	Present
Jim Moss	Present
Skip Orser	Present
Will Purser	Present
Tim Sheldon	Present
Kathy Vaughn	Present (Thursday only)

Others Present:

Both days: Board of Directors members – Judy Ridge, Asotin Public Utility District; Carnan Bergren, Chelan PUD; Jim Malinowski, Clark Public Utilities; Terry Brewer, Grant PUD; Barney Burke, Jefferson PUD; Steve Houston, Okanogan PUD; Curt Knapp, Pend Oreille PUD; Ned Piper, Cowlitz PUD; Lewis PUD Commissioner – Dean Dahlin; Reese Government Relations – Shirley Reese; Bonneville Power Administration – Larry Felton and Cherie Sonoda; and PSAV – Blaine Johnson.

Wednesday: Board of Directors members – Arie Callaghan, Grays Harbor PUD; M.L. Norton, Centralia City Light; Sandi Edgemon – City of Richland; Shan Rowbotham – Kittitas PUD; Liz Green – Skamania PUD; Diana Thompson, Pacific PUD; and Chuck TenPas, Lewis PUD; and Participants Review Board member – Stu Nelson, Franklin PUD.

Wednesday dinner only: Brent Ridge; Jim Rowland; John Steigers; and John Adams.

Thursday only: Bonneville Power Administration – Kieran Connolly, Mark Jones and Alex Roth; and Rowland, Co – Jim Rowland.

Staff Present:

Both days: Mark Reddemann; Brad Sawatzke; Grover Hettel; Bob Dutton; Mike Paoli; Leo Quiachon; Dave Briggs; John Irvan; Carla Martinez; Cristina Reyff; and Angela Smith.

Wednesday only: Alex Javorik and Jack Pierce.

Thursday only: Johnathan Hicks; John Irvan; David Jordan; Jeff Smith; and Jeff Windham.

Regular Executive Board Meeting

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:

- Regular Executive Board Meeting – June 24 – 25, 2015

Ms. Linda Gott moved that the minutes be approved. Mr. Jim Moss seconded. MOTION CARRIED.

Other Business

Chair Morrison shared that Mr. Will Purser will conduct the meeting critique for the July Executive Board meeting.

He then turned the meeting over to Mr. Tim Sheldon.

Administrative, Energy & Member Services Committee Reports

Administrative, Energy & Member Services Committee Chair Tim Sheldon opened the AEM Committee.

Information Agenda Items

Committee Chair Sheldon reminded the board of the available reports on BoardDocs.

Public Power Council Update

Committee Chair Sheldon and Vice Chair Jack Janda provided comments on recent Public Power Council meetings and activities.

Public, Plant Neighbors and Legislator Opinion Survey Results

Mr. Mike Paoli, Public Affairs manager and Ms. Angela Smith, Board Relations and Educational Outreach lead, presented recent survey findings. Key highlights included: survey overviews; opinions of Energy Northwest; opinions of nuclear energy; and favorability indices.

The meeting recessed at 1:09 p.m. for a break and reconvened at 1:26 p.m.

Social Media

Mr. John Dobken, Public Affairs senior analyst, presented on Energy Northwest's engagement in social media. Key highlights included: social media outreach and how board members can be involved.

Member Survey Results

Ms. Carla Martinez, Public Affairs supervisor, presented on recent member survey findings. Key highlights included: survey purpose; overview; results; focuses; member strengths; recommended Member Forum topics; noteworthy comments; and take-aways.

UAMPS Trip Report

Committee Chair Sheldon and Mr. Will Purser provided an overview from the recent UAMPS benchmarking visit.

Strategic Planning Quarterly Update

Ms. Cristina Reyff, Business Planning and Risk manager, presented the strategic planning end of fiscal year update. Key highlights included: Fiscal Year 2015 strategic plan results; examples of complete initiatives and process improvements; and FY 17-19 strategic planning timeline.

Education & Development Opportunities

Ms. Carla Martinez, Public Affairs supervisor, presented on board education and development, and the proposed 2016 board meeting schedule. Key highlights included: upcoming education and development opportunities; and recommended 2016 schedule including benefits and next steps.

Motion 2015-14

Committee Chair Sheldon moved that the Executive Board cancel the November 2015 board meeting, as discussed during the July 22, 2015, Executive Board meeting. If Executive Board actions require attention by the board in November, a teleconference may be scheduled with proper notice given. Mr. Jim Moss seconded. MOTION CARRIED.

Commitment Review/Provide Majority-based Direction

No new commitments were added.

The Executive Board recessed at 2:51 p.m. until the dinner meeting.

Regular Board Dinner Meeting

The Executive Board and Board of Directors reconvened at 6 p.m. for a social and dinner.

Mr. Robin Rego, Generation Project Development manager, presented on community solar. Key highlights included: the joint action community solar initiative; program offerings; how it works; state incentive for community solar; planning guide; and technical subjects.

Chair Morrison adjourned the dinner meeting at 8:03 p.m.

Regular Executive Board Meeting (*cont'd*)

The regular Executive Board meeting reconvened at 8 a.m. on Thursday, April 23, 2015 by Executive Board Vice Chair Janda, who was the acting chair. He immediately turned the meeting over to Ms. Kathy Vaughn.

Audit, Legal & Finance Committee Reports

Information Agenda Items

Committee Chair Vaughn welcomed the Executive Board to the Audit, Legal and Finance Committee and directed members to review the Cost Report on BoardDocs.

New York Trip Report

Committee Chair Vaughn shared her trip report from the New York financial trip.

Quarterly Cost Reviews: Columbia / Energy Services & Development

Mr. Johnathan Hicks, Budget supervisor, and Mr. David Jordan, Cost and Scheduling manager, presented the quarterly update for Columbia Generating Station. Key points included: a summary of Fiscal Year 2015 year end; capital budget performance; lessons learned; operations and maintenance budget performance; and a financial summary compared to previous fiscal years.

The board requested more information on the valve project.

Mr. Jeff Windham, Treasury and Budgets supervisor, presented the quarterly update for Energy Services & Development. Key points included: Packwood budget and cost of power; Nine Canyon budget and cost of power; and business development budget and margin.

FY16 Budget Amendments

Mr. Windham presented the Fiscal Year 2016 budget amendments. Key points included: background; budget amendment highlights; Project 1, Columbia and Project 3 funding requirements; and recommendations.

Resolution No. 1852

ALF Committee Chair Vaughn moved - A Resolution approving and adopting Energy Northwest amended annual budget for Fiscal Year 2016 for Nuclear Project 1. Ms. Linda Gott seconded.

Acting Chair Janda opened the floor for additional comments. Hearing none, Acting Chair Janda called for the question. EXECUTIVE BOARD RESOLUTION NO. 1852 UNANIMOUSLY ADOPTED.

Resolution No. 1853

ALF Committee Chair Vaughn moved - A Resolution approving and adopting Energy Northwest amended annual operating budget for Fiscal Year 2016 for Columbia Generating Station. Mr. Jim Moss seconded.

Acting Chair Janda opened the floor for additional comments. Hearing none, Acting Chair Janda called for the question. EXECUTIVE BOARD RESOLUTION NO. 1853 UNANIMOUSLY ADOPTED.

Resolution No. 1854

ALF Committee Chair Vaughn moved - A Resolution approving and adopting Energy Northwest amended annual budget for Fiscal Year 2016 for Nuclear Project No. 3. Ms. Lori Sanders seconded.

Acting Chair Janda opened the floor for additional comments. Hearing none, Acting Chair Janda called for the question. EXECUTIVE BOARD RESOLUTION NO. 1854 UNANIMOUSLY ADOPTED.

Nuclear Decommissioning and Site Restoration Trust Funds

Mr. Alex Roth, BPA Financial analyst, presented on the nuclear decommissioning and site restoration trust funds. Key points included: fund overview; major portfolio changes; fund asset allocation; summary of recent performance; current holdings component fund returns; new target portfolio; market value; and looking ahead.

The board requested additional information and further discussion on the new target portfolio for Columbia Generating Station and how it was determined.

The meeting recessed at 9:26 a.m. for a break and reconvened at 9:45 a.m.

Security Constrained Economic Dispatch

Mr. Kieran Connolly, vice president, Generation Asset Management with BPA, presented on the security constrained economic dispatch. Key points included: governance proposal; declaratory order; centrally cleared economic dispatch; transmission components; regulation reserve sharing group; resource sufficiency; seams user group; and next steps.

Commitment Review/Provide Majority-based Direction

The following new commitment was added.

- Provide the board additional information regarding the new target portfolio for Columbia Generating Station as discussed during BPA's Nuclear Decommissioning and Site Restoration Trust Funds Investment Update. Specifically, public power and the EB wants to review the risk of swing to equities in the decommissioning and site restoration trust fund – Alex Roth and Mark Jones, BPA

Nuclear Oversight & Safety Committee Reports

Committee Chair Skip Orser opened the Nuclear Oversight and Safety Committee and turned it over to Mr. Dave Swank, assistant vice president, Engineering.

Status of Columbia's Response to Fukushima

Mr. Swank provided an update on Columbia's response to Fukushima. Key points included: Fukushima overview; mitigation / flexible strategy; photos of Columbia's FLEX buildings and equipment; the national Strategic Alliance for FLEX Emergency Response (SAFER) centers; other significant activities; an update on the hardened vent system; and seismic re-evaluation.

Commitment Review/Provide Majority-based Direction

The following new commitments were added:

- Provide the board more information on valve project (based from Columbia quarterly update presentation) – Alex Javorik
- Provide the board Columbia's path to top quartile – Brad Sawatzke

Other Business

Hearing no additional questions or comments, Committee Chair Orser turned the meeting back to Vice Chair/Acting Chair Janda.

Regular Executive Board Meeting (cont'd)

Upcoming Meetings

Vice Chair/Acting Chair Janda reminded the board that the August Executive Board workshop will be held at Sun Mountain Lodge in Winthrop, Wash. on Aug. 26 – 28.

Other Business

None.

BPA Report

Mr. Connolly provided a brief update of current water conditions and other BPA-related information.

Meeting critique

Mr. Will Purser provided the Executive Board meeting critique for the month of July.

Staff Announcements

Mr. Mike Paoli reminded the board of the tour of Columbia's FLEX building immediately following the board meeting.

Hearing no further discussion, Vice Chair Janda adjourned the meeting at 11:16 a.m.

Respectfully submitted by,

Angela Smith
Board Relations