

**Minutes of the
Energy Northwest
Regular Board of Directors Meeting
Red Lion Hotel – Columbia Center– Clearwater Room
1101 N. Columbia Center Blvd.
Kennewick, Wash.
Oct. 23, 2014**

President Linda Gott called the regular meeting of the Board of Directors to order at 10:37 a.m. in the Clearwater Room of the Red Lion Hotel – Columbia Center, Kennewick, Wash. There was a quorum present. An environmental analysis of the Oct. 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.

Roll Call

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	Present
PUD No. 2 of Chelan County	Ann Congdon	Absent
PUD No. 1 of Clallam County	Will Purser	Present
PUD No. 1 of Clark County	Nancy Barnes	Absent
PUD No. 1 of Cowlitz County	Buz Ketcham	Absent
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	Absent
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	Absent
City of Port Angeles	Phil Lusk	Present
City of Richland	Robert Hammond	Absent
Seattle City Light	Mike Jones	Present
Tacoma Public Power	Bill Gaines	Absent

Others Present: Executive Board members – Sid Morrison, Marc Daudon and Skip Orser; Participants Review Board members – Karl Denison, Stu Nelson, Clay Smith and Susan Thraen;

Energy Northwest member commissioners – Dean Dahlin and Dale Walker; Deborah Sliz, Morgan Meguire; Phillip Smith, BPA; Shirley Reese, Reese Government Relations; Jim Rowland, Rowland Co; Blaine Johnson, PSAV; Bruce Landry, Potomac; George Caan, WPUDA; and John Francisco, Inland Power & Light.

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

Comments from Members of the Public

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

Other Business

Mr. Bill Gordon, shared his appreciation for Energy Northwest donating a nuclear plant model to Columbia Basin College and thanked staff Stacey Presnell and Laura Scheele for their attendance at the ribbon cutting event on Oct. 21.

He also mentioned the partnership between CBC and Energy Northwest for the nuclear technology program. He shared that there are currently three programs and of the recent two-year graduates, 85 percent are currently working, either at Energy Northwest or other companies.

Mr. Gordon also thanked Mr. Bob Dutton for the open records training stating the information was good.

On a separate topic, Mr. Gordon shared that Benton and Franklin PUDs have recently received public records request from local television stations for their commissioner's salaries including benefits.

Approval of Minutes

The following meeting minutes were presented for approval:

- Special Joint Board of Directors / Executive Board Meeting – July 23, 2014
- Board of Directors Meeting – July 23, 2014

Ms. Judy Ridge moved that the minutes be approved. Mr. Jack Janda seconded. MOTION CARRIED.

Appointment of Ad Hoc Committee - Election of Officers

President Gott appointed an Ad Hoc Committee for the Election of Officers taking place at the January 2015 Board of Directors meeting. The committee will canvass board members and make a recommendation for the new slate of officers.

The following accepted the assignment to be on the committee: Mr. Curt Knapp, Ms. Judy Ridge and Ms. Diana Thompson. President Gott appointed Ms. Thompson as the chair of the committee.

Report from Ad Hoc Inside Director Election Committee

Committee Chair Steve Houston reminded the board of the purpose of the Ad Hoc Inside Director Election Committee. Specifically, to research and discuss options for future Inside Director elections to include researching the history behind the Revised Code of Washington regarding terms, voting and floor nominations.

Regarding voting, he directed member's attention to the Revised Code of Washington 42.30.060 which states that secret voting is prohibited.

Next, based on the committee requesting input from each board member on whether there is a desire to have staggered terms for the Executive Board, Chair Houston shared the results as follows:

Yes: 15; No: 11; and Neutral: 1

A majority requires 14 or more, therefore, the committee requested staff research the history on the law regarding staggered terms. Mr. Bob Dutton took this commitment at the last ad hoc meeting on Oct. 17, 2014.

Mr. Dutton stated that his research will include what the statute allows regarding staggered terms by looking at the legislative history. If the answer is yes, he will provide several options for the board to consider.

Finally, Committee Chair Houston discussed the committee's recommendation to include a new rule (as Appendix C) to the Board of Directors Rules to formalize the election process for the inside director. He stated that currently there is an appendix in the rules for the outside director election.

Ms. Angela Smith provided an overview of the proposed rule – Appendix C (see appendix C attached).

The board briefly discussed the rule addition.

Committee Chair Houston requested board members further review the recommendation. At the January 2015 meeting the ad hoc committee will open the floor for further discussion and request approval.

Upcoming meeting

President Gott reminded the board that the January Board of Directors Meeting will be held on Jan. 28 at the Holiday Inn Express in Pasco, Wash.

Commitment Review/Provide Majority-based Direction

No new commitments added.

Hearing no further discussion, President Gott adjourned the regular Board of Directors Meeting at 11:12 a.m.

Respectfully submitted by,

Angela Smith
Board Relations

Board of Directors Rules**Appendix C - DRAFT****Procedure for the election of the Inside Directors of the Energy Northwest Executive Board, Pursuant to RCW 43.52.374**

1. During the October and January board meetings preceding the April Inside Director Election, staff will provide a copy of the Election Procedures and discuss what the process is.
2. The Board of Directors President will request interested Board of Directors members to submit their interest in running for one of the five positions for the Inside Director Election. Interested members may submit a letter of intent with a resume to the BOD President and BoardRelations@energy-northwest.com no later than March 1.
3. Energy Northwest Board Relations will gather all submittals and forward to the entire Board of Directors no later than March 15 for the BOD member's consideration.
4. President will list the candidates eligible for election based on those who submitted their interest and resume by the due date. There will be no nominations taken from the floor.
5. President asks for a motion that eligible member's names be nominated.
6. Ballots are distributed; instructions are given to vote for five nominees from the list of eligible candidates and to sign the ballot by name and utility they are representing. The representative from Snohomish will receive two ballots as they are the only member receiving more than 10% of the energy generated by Energy Northwest (RCW 43.52.370). Votes shall represent the utility's vote, not the individual Board of Directors member.
7. Teller and Assistant Teller will collect the ballots.
8. Teller reads ballots indicating:
 - a. whose utility ballot is being read from; and
 - b. the five individuals voted for by the utility.

9. Assistant Teller marks votes received on a tally sheet as ballots are read.
10. Board of Directors Secretary and Assistant Secretary will also have a tally sheet to mark votes as they are read.
11. Assistant Teller will verify and validate all the votes by reviewing all the ballots again.
12. Majority vote is required to elect Executive Board member. (Majority is based on those present and voting.)
 - a. If less than five members receive a majority vote, those members receiving a majority vote shall be elected and a run-off election shall be held between those remaining candidates.
 - b. If five members receive a majority vote on the first ballot and no other nominee received a majority, those five are elected.
 - c. If more than five members receive a majority, those five members who have the highest number of votes shall be elected.
 - d. If more than five members receive a majority and there is a tie among those who placed second through sixth, or third through sixth, etc., a run-off election shall be held between those who have tied to fill the remaining positions.
 - e. In the event that no member receives a majority vote, the candidate(s) with the lowest number of votes will be eliminated and another ballot will be taken amongst the remaining candidates.
9. At the conclusion of the balloting and verification of the results, the President should consider a motion to adopt the resolution electing the five Executive Board members.

Members majority

27 = 14

26 = 14

25 = 13

24 = 13

23 = 12

22 = 12

21 = 11

20 = 11

19 = 10

18 = 10

17 = 9

16 = 9

15 = 8

14 = 8

13 = 7

12 = 7

11 = 6

10	=	6
9	=	5
8	=	5
7	=	4
6	=	4
5	=	3
4	=	3
3	=	2