

**Minutes of the  
Energy Northwest  
Regular Executive Board Meeting  
Multi-Purpose Facility  
Glenn C. Walkley Room  
3000 George Washington Way  
Richland, Wash.  
Dec. 14 – 15, 2016**

Chair Sid Morrison called the regular meeting of the Executive Board of Energy Northwest to order at 8:02 a.m. on Dec. 14, 2016 in the Glenn C. Walkley room of the Multi-Purpose Facility at Energy Northwest in Richland, Wash. There was a quorum present. An environmental analysis of the 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
Jack Janda, Vice Chair	Present
Lori Sanders, Secretary	Present
Linda Gott, Assistant Secretary	Present (Thursday)
Marc Daudon	Present
Jim Moss	Present
Skip Orser	Present
Will Purser	Present
John Saven	Present
Tim Sheldon	Present
Kathy Vaughn	Present

**Others Present:**

**Both days:** Participants Review Board member – Mark Platt; PSAV – Blaine Johnson; Bonneville Power Administration – Cherie Sonoda.

**Wednesday only:** The Boonin Group – David Boonin

**Thursday only:** Dave and Helen Remington; Reese Government Relations – Shirley Reese; Rowland & Co. – Jim Rowland; Bonneville Power Administration – Mark Gendron and Anna-Lisa Miller.

**Staff Present:**

**Both days:** Mark Reddemann; Brent Ridge; Brad Sawatzke; Bob Dutton; Jim Gaston; Dave Briggs; Carla Martinez; Cristina Reyff; Angela Smith.

**Wednesday only:** Mike Paoli and Marie Thomas.

**Thursday only:** Andy Black; Kent Dittmer; Rob Hammons; John Irvan; Dave Jordan; Marian Kellett; Sean Noonan; Angel Rains; Greg Sponholtz; John Suing; Sam Szendre; Jay Taylor; Reg Wainwright; Vicki Watilo; and Jeff Windham.

## Regular Executive Board Meeting

Mr. Jim Moss led the group in the Pledge of Allegiance.

### Approval of Minutes

The following meeting minutes were presented for approval:

- Regular Executive Board Meeting – Oct. 26 -27, 2016

Mr. Jack Janda moved that the minutes be approved. Mr. Skip Orser seconded. MOTION CARRIED.

- Joint EB/BOD/PRB Meeting – Oct. 27 2016

Mr. Skip Orser moved that the minutes be approved. Mr. Jack Janda seconded. MOTION CARRIED.

### Strategic Scenario Planning

Mr. Brent Ridge, vice president for Corporate Services and Chief Financial/Risk Officer, reviewed the objectives of the day including: scenario planning; establishing the five- and 10-year goals for Fiscal Year 2018; and discussing measurements of success for Columbia.

Mr. David Boonin, president of The Boonin Group, facilitated the strategic scenario planning workshop. Key sections included: group introductions; introduction to scenario planning; scenario building – drivers; scenario building – brainstorming; goals and strategies; and stress test existing goals. Breaks and lunch as noted below throughout the day.

The meeting recessed at 9:14 a.m. for a break; and reconvened at 9:26 a.m.

The meeting recessed for lunch at 11:08 a.m.; and reconvened at 11:52 a.m.

The meeting recessed for a break at 12:53 p.m.; and reconvened at 1:10 p.m.

The meeting recessed for a break at 2:20 p.m.; and reconvened at 2:40 p.m.

The board reviewed the current five- and 10-year goals and established the following for Fiscal Year 2018:

### Energy Northwest

Now – 5 years

- Excellent stewardship of generating resources
- Expand Energy Northwest's role in the region
- Energy Northwest as a thought leader on current and future energy technologies
- Strong leadership / employee development
- Implement Cost Effective Operation Plan
- Prepare for operations and maintenance of small modular reactor (Carbon Free Power Project)

10 years

- Top quartile performance
- Valued provider of energy solutions
- Valued thought leader on energy issues
- Operate and maintain the small modular reactor constructed through the Carbon Free Power Project

### **Columbia**

Now – 5 years

- Top quartile performance
- Operating safely, reliably and cost effectively
- Implement Measurement Uncertainty Recapture (consider taking out for FY19)
- Evaluate extended power uprate (if cost effective)

10 years

- Top quartile performance
- Operating safely, reliably and cost effectively
- Making needed capital investments (if cost effective)
- Implement extended power uprate (if cost effective)

### **Energy Services and Development**

Now – 5 years

- In collaboration with our members, work to provide technology solutions (to include cyber security, demand side management, storage) consistent with core competencies
- In collaboration with our members, initiate a significant aggregated generating resource (if sufficient demand) (consider moving to 10 year goals)
- Complete early restoration of Industrial Development Complex Sites 1 and 4
- Implement Nine Canyon life cycle management

10 years

- Based upon regional and member needs, develop new business lines and energy solutions
- Consider Industrial Development Complex site for small modular reactor

### **New Goals (not categorized yet)**

- EN: Understand implications of the future of power marketing agencies
- EN: Understand market dynamics
- EN: Protected market structure strategy in place and adding value
- EN: Protect nuclear – active political engagement to influence in place and adding value
- EN: New/additional business model implemented
- ESD: Expand O&M services to other non-nuclear assets
- ESD: Demonstrated value of SMR

Staff will suggest modifications to wording and integrate into existing goals where applicable. Staff will bring goals back to the board at the January board meeting for formal approval.

**Measurement of Success**

Mr. Ridge presented the previous and recommended measurements of success for Columbia. Key highlights included: Benchmarking data, a review of historical measures; and options for new measures. Discussion ensued in small groups on possible future measures. The small groups then shared their thoughts with the larger group. Further discussion ensued.

The meeting recessed for the day at 4:40 p.m.

**Regular Executive Board Meeting *cont'd***

Executive Board Chair Sid Morrison reconvened the regular Executive Board meeting at 8:01 a.m. on Thursday, Dec. 15, 2016 in the Glenn C. Walkley room of the Multi-Purpose Facility in Richland, Wash.

**Appreciation for Service**

Chair Morrison thanked Mr. Dave Remington for his service on the Executive Board.

**Resolution 1900**

Vice Chair Jack Janda moved to approve EXECUTIVE BOARD RESOLUTION NO. 1900 – a resolution expressing appreciation for David Remington’s contributions as a member of the Executive Board of Energy Northwest. Ms. Lori Sanders seconded.

Chair Morrison opened the floor up for comments in which several board members shared their appreciation for Mr. Remington.

Chair Morrison called for the question. EXECUTIVE BOARD RESOLUTION NO. 1900 UNANIMOUSLY ADOPTED.

Mr. Remington shared comments of thanks.

**Meritorious Service Awards**

Chair Morrison shared the purpose and background of the Executive Boards Meritorious Service Awards. Two teams received the award this year – Reactor Water Cleanup Project and Regional Board Support.

Mr. Skip Orser presented the first team awards to John Suing and Reg Wainwright (Sean Noonan also received the award later in the day) for their excellence in the emergent repairs of the reactor water cleanup system.

The team did the research and analysis; and mobilized a vendor to perform a chemical decontamination of RWCU to lower the radiation dose during repairs. Together they led a team that obtained necessary material, developed detailed work instructions and fabricated and installed replacement piping. As a result of their efforts, this critical system was repaired and returned to operations.

Ms. Kathy Vaughn presented the awards to members of the regional board support team: Brent Ridge; Bob Dutton; John Irvan; Jeff Windham; and Angela Smith in recognition for their work in support of a complex Bonneville Power Administration expensing matter.

With a short lead time the team executed a plan pertaining to Energy Northwest regional cooperation debt. The plan involved Energy Northwest's Executive Board, Columbia's Participants Review Board, the Public Power Council, PNGC Power and Northwest Requirements Utilities.

Their efforts were instrumental in achieving a \$500 million region-wide savings between now and 2028 that reduced the expected rate increase dramatically.

### **Alternative Concerns Program**

Chair Morrison provided background on a new standing committee for the alternative concerns program. Chair Morrison appointed Ms. Linda Gott and Mr. Jim Moss as co-chairs of the committee. Mr. Skip Orser and Chair Sid Morrison will serve as ex-officio members of the committee.

### **Chief Executive Officer Report**

Mr. Mark Reddemann, Chief Executive Officer, presented the CEO Report. Key highlights included: Welcome to new Executive Board member John Saven and thanks to Dave Remington for his service on the board; Public Power Forum; agency awards; fuel defects update; NRC special inspection; alternative concerns process; bargaining unit updates; evaporation pond overflow update; industry conference; and Head Start charity campaign.

Mr. Reddemann addressed multiple questions from the Executive Board.

## **Administrative, Energy & Member Services Committee Reports**

### **Legislative Issues**

Ms. Shirley Reese, Reese Government Relations, and Jim Rowland, Rowland & Co., presented the 2017 legislative issues document and recommended provisional approval from the Executive Board.

### **MOTION 2016-24**

Committee Chair Sheldon moved to approve MOTION 2016-24 – it is moved that the Executive Board of Energy Northwest gives provisional approval to adopt the Energy Northwest legislative positions as discussed at the Dec. 15, 2016 Executive Board meeting. Ms. Kathy Vaughn seconded. MOTION CARRIED.

The AEM Committee recessed at 9:55 a.m.; the board recessed for a break at 9:55 a.m.; and the board meeting reconvened at 10:09 a.m., opening up the Audit, Legal and Finance Committee meeting.

**Audit, Legal & Finance Committee Reports**

Committee Chair Kathy Vaughn opened the Audit, Legal and Finance Committee.

**Cost Effective Operation and Long-Range Planning**

Mr. Ridge introduced Mr. Mark Gendron, senior vice president for Power Services at the Bonneville Power Administration. Mr. Gendron discussed the integrated program review 2.

Messrs. Ridge and Brad Sawatzke, Chief Operating Officer / Chief Nuclear Officer, presented the status of Columbia's Cost-effective Operation initiative and Long Range Plan. Key points included: BPA power services expense summary; Long Range Plan and IPR 2 status; changes from FY17 board approved LRP; new projects and LRP reflow; BPA IPR; proposed changes in Columbia O&M expense; basis for achieving reductions; EB review of proposed changes; update on measurement uncertainty recapture project status; O&M cost excellence initiatives; cost-effective operation; Columbia staffing levels; and Delivering the Nuclear Promise.

Mr. Ridge asked for the board's concurrence to proceed with the proposed reductions to the budget to support BPA and the integrated program review. The board agreed.

The meeting recessed for lunch at 12:05 p.m.; and reconvened for a working lunch at 12:18 p.m.

**Administrative, Energy & Member Services Committee Reports *cont'd***

Committee Chair Tim Sheldon reconvened the AEM committee.

**Education/Development**

Ms. Carla Martinez, Public Affairs assistant manager, presented the board's education and development opportunities and fiscal year engagement. Additionally she discussed the proposed Nebraska Public Power District benchmarking trip.

**Regional Meeting Trip Reports**

Public Power Council: Vice Chair Janda and Committee Chair Sheldon provided comments on recent interactions with the Public Power Council.

Northwest Power and Conservation Council: Committee Chair Sheldon provided comments on recent interactions with the NWPCC.

Washington Public Utility Districts Association: Committee Chair Sheldon provided comments on recent interactions at WPUA's annual conference.

Robert's Rules of Order: Committee Chair Sheldon provided highlights from training at the Northwest Public Power Association's Robert's Rules of Order training.

NoaNet Update: Ms. Linda Gott and Mr. Will Purser provided an update on NoaNet.

Washington's Future Energy: Mr. Marc Daudon provided comments on attendance at the recent Washington's Future Energy conference.

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

- Research whether Yakama Power is considered public power; if so, reach out to Ray Wiseman, general manager, to identify potential support – Bob Dutton / Jim Gaston

**Audit, Legal & Finance Committee Reports *cont'd***

Committee Chair Kathy Vaughn reconvened the ALF Committee and reminded members to view the monthly cost reports on BoardDocs.

**Annual Employee Concerns Program Update**

Mr. Rob Hammons, Employee Concerns Program manager, presented the annual employee concerns program update. Key highlights included: Statistics of reactor allegations and employee concerns activity.

**Audit Update**

Vice Chair Janda provided an update on the audit plan. Key highlights included: Three audits scheduled for FY17; one is complete; and the next two audits are project management and enterprise risk management. Vice Chair Janda requested input from the board in the spring for the next fiscal year audits. Committee Chair Vaughn requested the auditor bring options for FY18 for the board to discuss and select from.

Committee Chair Vaughn recessed the ALF at 1:28 p.m. for the Nuclear Oversight & Safety Committee to open.

**Nuclear Oversight & Safety Committee Reports**

Committee Chair Skip Orser opened the Nuclear Oversight and Safety Committee.

**Approval to Waive Public Works Bidding Requirements**

Mr. Greg Sponholtz, Supply Chain Services manager, presented request for approval to waive public works bidding requirements. Key points included: Background; safeguards information category and qualification of; security and compliance concerns; procurement plan; and recommendation for approval.

**Resolution 1901**

Committee Chair Orser moved to approve EXECUTIVE BOARD RESOLUTION NO. 1901 – a resolution authorizing the waiver of public works bidding requirement – Columbia Generating Station – cyber security computer system upgrade. Mr. Jack Janda seconded.

Chair Morrison opened the floor up for comments. Hearing none, Chair Morrison called for the question. EXECUTIVE BOARD RESOLUTION NO. 1901 UNANIMOUSLY ADOPTED.

**Approval to Waive Public Works Bidding Requirements**

Mr. Sponholtz presented request for approval of work release order No. 3 of basic ordering agreement No. 341920. Key points included: Valve inspection, repair and testing work; and recommendation.

Resolution 1898

Committee Chair Orser moved to approve EXECUTIVE BOARD RESOLUTION NO. 1898 – a resolution authorizing the execution of a contract to Crane Nuclear, Inc. for comprehensive valve inspection, repair, maintenance and testing for refueling and maintenance outage 23 – Columbia Generating Station. Ms. Kathy Vaughn seconded.

Chair Morrison opened the floor up for comments. Hearing none, Chair Morrison called for the question. EXECUTIVE BOARD RESOLUTION NO. 1898 UNANIMOUSLY ADOPTED.

**Audit, Legal & Finance Committee Reports *cont'd***

Committee Chair Kathy Vaughn reconvened the ALF Committee.

The meeting recessed at 1: 50 p.m. for a break and reconvened at 2 p.m.

**Executive Session – Annual Whistleblower Update & Litigation Update**

An executive session was called to order for 35 minutes in accordance with RCW 42.30.110 (1) (i) beginning at 2 p.m. to report on the annual whistleblower and litigation updates.

RCW 42.30.110 (1) (i):

To discuss with legal counsel representing the agency matters relating to agency enforcement actions, or to discuss with legal counsel representing the agency litigation or potential litigation to which the agency, the governing body, or a member acting in an official capacity is, or is likely to become, a party, when public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency.

The executive session ended at 2:35 p.m. and reconvened immediately as a public meeting.

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

No new commitments were added.

**Nuclear Oversight & Safety Committee Reports**

Committee Chair Skip Orser reconvened the NOS Committee.

**Chief Nuclear Officer Report**

Mr. Brad Sawatzke, Chief Operating/Nuclear Officer presented the CNO Report. Key points included: Plant status; significant plant work; mission critical risk projects; regulatory update; Columbia Generating Station performance; and upcoming events.

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

The following new commitment was added:

- Show link between Delivering the Nuclear Promise and Columbia's cost structure in first quarter of 2017 – Brad Sawatzke and Brent Ridge
- Share assumptions of outages (length of outage / outage performance) – Brad Sawatzke



**Regular Executive Board Meeting (cont'd)**

**BPA Report**

Ms. Cherie Sonoda provided an update on power systems and other BPA-related information.

**Executive Board / Senior Leadership Engagement Opportunities and Safety Culture Initiatives**

The board reviewed the status of the recommendations and actions from the safety culture initiatives; and discussed further engagement opportunities.

**Meeting Critique**

Ms. Vaughn provided the Executive Board meeting critique for the month of December.

**Upcoming Meetings**

Chair Morrison reminded the board that the joint board meeting will be held on Jan. 25 – 26, 2017 in Olympia.

Hearing no further discussion, Chair Morrison adjourned the meeting at 4:35 p.m.

Respectfully submitted by,

Angela Smith  
Board Relations