

**Minutes of the
Energy Northwest
Regular Board of Directors Meeting
Holiday Inn Express – Vineyard Room
4525 Convention Place
Pasco, Wash.
July 27, 2016**

President Terry Brewer called the regular meeting of the Board of Directors to order at 9:03 a.m. on July 27, 2016 in the Vineyard Room at the Holiday Inn Express in Pasco, Wash. There was a quorum present. An environmental analysis of the 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

Board of Directors Members

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	Carnan Bergren	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	Absent
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	Liz Green	Present
PUD No. 1 of Snohomish County	Kathy Vaughn	Present
PUD No. 1 of Wahkiakum County	Dennis Reid	Present
City of Centralia	M.L. Norton	Present
City of Port Angeles	Craig Fulton	Present
City of Richland	Robert Hammond	Present
Seattle City Light	Mike Jones	Absent
Tacoma Public Power	Bill Gaines	Absent

Others Present: Executive Board Members – Sid Morrison, Skip Orser and Tim Sheldon; Participants Review Board Members – Ray Mosbrucker, Stu Nelson, Mark Platt and Susan Thraen; Bonneville Power Administration – Larry Felton, Cherie Sonoda and Wayne Todd; Rowland and Co. – Jim Rowland; and PSAV – Blaine Johnson.

Staff Present: Mark Reddemann; Brad Sawatzke; Brent Ridge; Grover Hettel, Alex Javorik, Bob Dutton; Jim Gaston; Mike Paoli; Dave Briggs; Jennifer Harper; John Irvan; Carla Martinez; Suzanne Mitchell; Leo Quiachon; Robin Rego; Angela Smith; Jeff Smith; John Steigers; and Jeff Windham.

Regular Board of Directors Meeting

Mr. Carnan Bergan led the Pledge of Alliance.

Public Comments

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

Board Roles and Authority

Mr. Bob Dutton, General Counsel and Chief Ethics Officer, presented the roles and authorities of the governing boards of Energy Northwest. Key highlights included: a background of the establishment of Energy Northwest; the legal powers and authorities of the Board of Directors, Executive Board and Participants Review Board; and the power of the members of Energy Northwest. Discussion ensued.

Approval of Minutes

The following meeting minutes were presented for approval:

- Board of Directors Meeting – April 27, 2016

Ms. Judy Ridge moved that the meeting minutes be approved. Mr. Arie Callaghan seconded. MOTION CARRIED.

- Joint Board of Directors / Executive Board Meeting – April 27, 2016

Ms. Judy Ridge moved that the meeting minutes be approved. Ms. Diana Thompson seconded. MOTION CARRIED.

- Board of Directors Ad Hoc Committee Meeting – April 27, 2016

Ms. Kathy Vaughn moved that the meeting minutes be approved. Mr. Jim Malinowski seconded. MOTION CARRIED.

BOD Rules 9.1 Discussion

Mr. Curt Knapp led the discussion of Board of Directors Rules, specifically 9.1. Discussion ensued. Consensus of the Board of Directors was no further action.

Horn Rapids Solar Conditional Approval

Mr. Jim Gaston, general manager for Energy Services and Development, provided an overview of what has been presented to the governing boards during previous meetings regarding the Horn Rapids Solar initiative.

Mr. Robin Rego, Generation Project Development manager, presented on the conditional approval for Horn Rapids Solar. Key highlights included: background; EN's role; approach; significant risks and mitigation; and recommendation. Mr. John Irvan, Treasury/Finance manager, also provided comments. Discussion ensued.

Mr. Bob Hammond stated that he would abstain from voting if conditional approval is brought forth to the board given the City of Richland's involvement in the potential project.

Board of Directors Resolution 1363

Mr. Barney Burke moved to approve BOARD OF DIRECTORS RESOLUTION NO. 1363 A resolution for conditional approval of the "Horn Rapids Solar, Storage, and Training Project" pursuant to the Board of Directors' Rules with the following amendment added as 2c:

2c. Resolve the need for third party financing; mitigate identified risks; define project clearly; and verify the financial and technical feasibility.

Ms. Lori Sanders seconded.

President Brewer opened the floor for discussion; hearing none, he called for the question. BOARD OF DIRECTORS RESOLUTION NO. 1363, ADOPTED by majority. City of Richland – Bob Hammond abstained from voting.

Upcoming Meetings

President Brewer reminded the board that the next Board of Directors meeting will be held on Oct. 27, 2016 at the Three Rivers Convention Center in Kennewick, Wash.

Ms. Lori Sanders clarified that although the Board of Directors meeting is on Oct. 27, followed by the Public Power Forum on Oct. 27 – 28, there is also an Executive Board meeting on Oct. 26 for those interested in attending.

Commitment Review/Provide Majority-based Direction

No new commitments were added.

Hearing no further discussion, President Brewer recessed the meeting at 11:11 a.m.

The Executive Board and Board of Directors reconvened for dinner at 6 p.m.; and recessed at 7:30 p.m. The Board of Directors meeting adjourned at 2:56 p.m. on July 28, 2016.

Respectfully submitted by,

Angela Smith
Board Relations