

**MINUTES OF THE
 ENERGY NORTHWEST
 SPECIAL JOINT BOARD OF DIRECTORS
 AND EXECUTIVE BOARD MEETING
 RED LION COLUMBIA CENTER – CLEARWATER ROOM A/B/C
 1101 N. COLUMBIA CENTER BLVD.
 KENNEWICK, WASHINGTON
 OCTOBER 23, 2013 – Immediately following the
 Regular Board of Directors Meeting, but no earlier than 9:00 a.m.**

The special joint meeting of the Board of Directors and Executive Board of Energy Northwest was called to order by President Linda Gott and Chair Sid Morrison at 9:17 a.m. in Clearwater Room A/B/C of the Red Lion Columbia Center in Kennewick, Washington. There was a quorum present.

ROLL CALL – Board of Directors

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	Present
PUD No. 1 of Clallam County	Will Purser	Present
PUD No. 1 of Clark County	Nancy Barnes	Present
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	Russ Skolrood	Present
PUD No. 1 of Jefferson County	Barney Burke	Present
PUD No. 1 of Kittitas County	Roger Sparks	Present
PUD No. 1 of Klickitat County	Dan Gunkel	Present
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	Eugene Healy (alternate)	Absent
City of Centralia	M.L. Norton	Present
City of Port Angeles	Phil Lusk	Absent
City of Richland	Robert Hammond	Present
Seattle City Light	Mike Jones	Absent
Tacoma Public Power	Bill Gaines	Absent

ROLL CALL – Executive Board

Sid W. Morrison, Chairman
Marc Daudon
Dan Gunkel
Jack Janda
Skip Orser
Will Purser
Lori Sanders
Tim Sheldon
Kathy Vaughn

Others Present: Bonneville Power Administration representatives K. Black, A. Rapacz and P. Smith; Participants Review Board members K. Denison, Mason County PUD No. 1; and S. Nelson, Franklin County PUD; T. McMahon, IBEW Local #77; S. Reese, Legislative Liaison; and B. Johnson, PSAV Audio Services.

Staff Present: M. Reddemann, D. Atkinson, D. Briggs, R. Dutton, G. Hettel, P. Lilly, M. Meilleur, M. Paoli, B. Ridge, B. Sawatzke, L. Scheele, L. Willey and S. Barwick.

Chair Morrison provided a short explanation for why the boards will conduct overlapping quarterly meetings going forward. He stated that Executive Board members and the senior leadership team discussed the idea of holding joint Board of Directors and Executive Board meetings to avoid redundancy of presentations and to reduce staff time away from the plant.

REPORT BY CHIEF EXECUTIVE OFFICER

M. Reddemann, Chief Executive Officer, stated that he has visited each of Energy Northwest's member utilities providing presentations on the organization's journey to excellence and emphasizing the value of Columbia Generating Station (Columbia) to the region. During his visits he has had the opportunity to gain better understanding of Energy Northwest's member utilities' business environments, challenges and opportunities, which will lead to better support of our member utilities.

Mr. Reddemann briefed board members on Energy Northwest's 16th Member Forum taking place on Thursday afternoon, evening and Friday morning, the recent free showing of Pandora's Promise at Columbia Basin College and the upcoming opportunity to catch CNN's broadcast on November 7 at 6 and 9 p.m., and Washington Nuclear Science Week and Governor Inslee's proclamation which included the following reference to nuclear energy:

“...nuclear energy each year contributes approximately 1,170 megawatt hours of safe, reliable, carbon-free and environmentally responsible electricity to Washington ratepayers, equivalent to about 10 percent of Washington's power.”

Mr. Reddemann thanked board members Jack Janda and Will Purser for providing on-camera comments for videos in support of Public Power Week which can be viewed on Energy Northwest's YouTube page. In addition, he reported on the CEO recognition luncheons for 62 employees who demonstrated and exemplified Excellence in Performance behaviors over the last quarter.

Mr. Reddemann reviewed the high-level asset performance of Columbia Generating Station, Packwood Lake Hydroelectric Project, Nine Canyon Wind Project and Energy/Business Services since last month.

Mr. Burke thanked Mr. Reddemann for visiting Jefferson County PUD and indicated that his presentation provided a very positive picture of Energy Northwest and Columbia Generating Station to the board of commissioners. He requested additional excellence model brochures for his staff. M. Paoli, Acting Public Affairs Manager, advised that the handbooks have been reprinted and will be distributed at the Member Forum.

CHIEF NUCLEAR OFFICER REPORT

B. Sawatzke, Vice President, Nuclear Generation/Chief Nuclear Officer, reported Columbia is on line at 100 percent power in the 120th day of the current run; the next refueling outage is scheduled for May 2015.

Mr. Sawatzke reviewed plant concerns with respect to high vibration of circulation water pump motor 1A and security inverter modification; station focus on service water spray bonds and safety-related room coolers; and provided brief updates on recent regulatory inspections. Discussion ensued regarding the corrective action program, benchmarking, and self-assessments.

Mr. Sawatzke provided an overview of his participation on a Perry plant peer-assessment evaluation and the upcoming meeting in Atlanta where he will be able to provide feedback on what he observed. He also reported on a recent Nuclear Strategic Issues Advisory Committee (NSIAC) board meeting he attended on cyber security and aggregate impact of programs.

The meeting was recessed for a short break at 10:15 a.m.; the meeting was reconvened at 10:35 a.m.

Mr. Sawatzke summarized upcoming events, and reviewed performance indicators, including station risk management (a new indicator developed by Energy Northwest), FY 2014 thermal power; thermal power for September; monthly Columbia performance index (97.1 was top quartile; Columbia is now at 96.7); and unit capability factor.

Discussion ensued regarding control rod replacement schedule and R22 outage planning.

The meeting was recessed at 11:50 a.m. for lunch; the meeting was reconvened at 12:25 p.m.

Mr. Sawatzke showed a video he made during the Chief Nuclear Officer's tour of the Fukushima site in early September and reviewed a regulatory presentation on Fukushima. Discussion ensued with respect to Japan's nuclear regulator, the number of Japanese CNOs and what is presently being used for power.

Additional discussion ensued regarding how nuclear plants in the United States assess and prepare for emergency events.

Executive Chair Morrison asked that the Fukushima Project Update agenda item be moved from the Nuclear Operations and Safety Committee to the joint Board of Directors and Executive Board meeting.

FUKUSHIMA PROJECT UPDATE

D. Swank, Assistant Vice President, Engineering, provided an update on activities related to hardened vent system mandates resulting from Fukushima events; slowed down design work and other work on hold pending clarification from regulators.

Discussion ensued regarding Japan's hardened vent system, the difference between the wet well and the dry well in nuclear reactors, pumping water into containment to cool the reactor, batteries to power the solenoid; diesel driven generators to recharge batteries; and the ability to hook up air compressor to continue to operate the valves.

Mr. Swank reviewed significant activities with respect to spent fuel pool level instrumentation design, ongoing seismic hazards analysis with DOE, flooding hazards analysis work with US Army Corps of Engineers; FLEX building construction request for proposals; seismic walk-downs; mitigation analysis work, plant modifications, contracts with regional response center and equipment orders, simulator model upgrade work, and coordination/development of procedure upgrades, guidelines, and training on those procedures required by June 2015. Discussion ensued regarding value added from FLEX and mitigation analysis.

Chair Morrison extended an invitation to Board of Directors' members to attend the Executive Board meeting and advised that Tim Sheldon will report on a recent tour he participated in of the Bakken Oil Fields in North Dakota during the dinner this evening.

Chair Morrison announced that the Executive Board meeting will begin at 2:20 p.m. Hearing no further discussion, the special joint meeting of the Board of Directors and Executive Board was adjourned at 2:10 p.m.

Respectfully Submitted,

Susan L. Barwick
Board Relations Specialist