

CHUGACH ELECTRIC ASSOCIATION, INC.
ANCHORAGE, ALASKA

OPERATIONS COMMITTEE MEETING

AGENDA

Stuart Parks, Chair
Susan Reeves, Vice Chair

Harry Crawford
Bettina Chastain

July 23, 2018

4:00 p.m.

Chugach Board Room

- I. CALL TO ORDER
 - A. *Roll Call*
- II. APPROVAL OF THE AGENDA*
- III. APPROVAL OF THE MINUTES*
 - A. *June 25, 2018 (Quezon-Vicente)*
- IV. PERSONS TO BE HEARD
 - A. *Member Comments*
- V. CEO REPORTS AND CORRESPONDENCE (*none*)
- VI. NEW BUSINESS (*none*)
- VII. EXECUTIVE SESSION* (*scheduled*)
 - A. *ML&P Acquisition Update*
 - B. *2018 CEO Performance Scorecard and Project Specific Initiatives*
- VIII. DIRECTOR COMMENTS
- IX. ADJOURNMENT*

* *Denotes Action Items*

** *Denotes Possible Action Items*

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

June 25, 2018
Monday
4:00 p.m.

OPERATIONS COMMITTEE MEETING

Recording Secretary: Arden Quezon-Vicente

I. CALL TO ORDER

Chair Parks called the Operations Committee meeting to order at 4:03 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Roll Call

Committee Members Present:

Stuart Parks, Chair
Harry Crawford, Director
Susan Reeves, Director
Bettina Chastain, Director

Other Board Members Present:

Jim Henderson, Director (*via teleconference*)
Rachel Morse, Director (*via teleconference*)

Guests and Staff in Attendance:

Lee Thibert	Connie Owens	Jody Wolfe
Brian Hickey	Tyler Andrews	Renee Curran
Sherri Highers	Tom Schulman	Debra Caldwell
Matthew Clarkson	Paul Risse	Josh Travis
Arthur Miller	Julie Hasquet	Kelly Haggerty, Pritchett LLC

II. APPROVAL OF THE AGENDA

Chair Parks requested to add CEO Performance Evaluation Update under CEO Report and Correspondence.

Director Reeves moved and Director Crawford seconded the motion to approve the agenda. The motion passed unanimously, as amended.

III. APPROVAL OF THE MINUTES

Director Crawford moved and Director Chastain seconded the motion to approve the May 24, 2018, Operations Committee Meeting minutes. The motion passed unanimously.

IV. PERSONS TO BE HEARD

- A. *Member Comments*
None

V. CEO REPORTS AND CORRESPONDENCE

- A. *CEO Evaluation Ad Hoc Committee Update (Committee)*

Director Reeves stated that the Committee met and has made good progress incorporating comments to the evaluation and that the overall effort is to streamline the performance review. Also to ensure that this year's performance review and initiatives reflect the main initiative of the company. She continued to say that the Committee had a productive conversation with Lee Thibert, Chief Executive Officer at the meeting and that Chair Parks will be taking lead on consolidating the comments and that it should be completed within the next week.

VI. NEW BUSINESS

- A. *Board Policy 206 – Statement of Functions of the Operations Committee* (Committee Review)*

Director Reeves stated that this is a yearly review and that there shouldn't be changes if Committee members stayed the same.

Chair Parks indicated that he saw one discrepancy on what the policy states on how the Committee is operating right now and that the policy identified that there should be five board members appointed to the committee and currently there is four. He stated that a fifth member will be assigned during the next Regular Board meeting.

Director Chastain stated to wait until there is a full slate on the Board before assigning a fifth member to the Committee.

No action taken at this time. No objections were made.

VII. EXECUTIVE SESSION

- A. *ML&P Acquisition Update*
B. *ML&P – Integration Consulting Agreement*
C. *ML&P – Authorization to Negotiate Asset Purchase Agreement for Potential Acquisition*

At 4:09 p.m., Director Chastain moved and Director Crawford seconded the motion that pursuant to Alaska Statute 10.25.175(c)(1) and (3) the Board of Directors go into executive session to: 1) discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; and, 2) to discuss legal matters with its attorneys, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

The meeting reconvened in open session at 6:40 p.m.

VIII. NEW BUSINESS

A. ML&P – Approval of the Integration Consulting Agreement (Fouts)*

Director Reeves moved and Director Crawford seconded the motion that the Operations Committee recommend to the Board of Directors to authorize the Chief Executive Officer to execute the Integration Consulting Agreement as discussed in Executive Session.

Director Chastain requested that updates on contract(s) be provided during future meetings.

Chair Parks called for a vote. The motion passed unanimously.

*B. ML&P – Authorization to Negotiate Asset Purchase Agreement for Potential Acquisition** (Miller)*

Director Reeves moved and Director Chastain seconded that the Operations Committee recommend that the Board of Directors authorize the Chief Executive Officer to negotiate and develop an Asset Purchase Agreement with the Municipality of Anchorage for the purchase of all or a majority interest of ML&P, with expected savings of at least \$110 million and subject to due diligence, under terms and conditions substantially the same as discussed in Executive Session. The motion passed unanimously.

Director Henderson was not present at the time of vote.

IX. DIRECTOR COMMENTS

Director comments were made at this time.

X. ADJOURNMENT

At 6:49 p.m., Director Chastain moved and Director Crawford seconded the motion to adjourn. The motion passed unanimously.

Director Henderson was not present at the time of vote.