

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

January 23, 2019
Wednesday
4:00 PM

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Divina Portades

I. CALL TO ORDER

Chair Chastain called the Regular Board of Directors' Meeting to order at 4:00 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Pledge of Allegiance

Chair Chastain led the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Bettina Chastain, Chair

Susan Reeves, Vice Chair (*via teleconference*)

Stuart Parks, Secretary

Rachel Morse, Treasurer

Jim Henderson, Director (*via teleconference*)

Harry Crawford, Director

Harold Hollis, Director (*via teleconference*)

Guests and Staff in Attendance:

Lee Thibert

Tom Schulman

Debra Caldwell

Brian Hickey

Josh Resnick

Aaron Love

Arthur Miller

Jody Wolfe

Teresa Kurka

Sherri Highers

Renee Curran

Brian Meissner, ECI

Tyler Andrews

Marty Freeman

Mark Begich, Northern

Matthew Clarkson

Sean Skaling

Compass Group

Mark Fouts

Kathy Harris

Dan Walker, Walker &

Julie Hasquet

Phil Steyer

Associates (*via teleconference*)

Connie Owens

Luke Sliman

Dustin Highers

James Mullican

C. Safety Minute

Marty Freeman, Safety discussed "*Backcountry Safety*" and responded to questions from the Board.

II. APPROVAL OF THE AGENDA

Director Morse moved and Director Crawford seconded the motion to approve the agenda.

Lee Thibert, Chief Executive Officer (CEO), requested to add an agenda item under CEO Reports and Correspondence regarding Meeting with ML&P Employees.

Chair Chastain called for a vote. The motion passed unanimously, as amended.

III. PERSONS TO BE HEARD

- A. *Member Comments*
None

IV. CONSENT AGENDA

- A. *Board Calendar*
 - 1. *2019 Strategic Planning Dates (currently scheduled April 25-26 & August 28-30)*
 - 2. *Board Training – Mergers and Acquisitions (not scheduled at this time)*
- B. *Training and Conferences*
 - 1. *Gettysburg Leadership Experience, April 16-18, 2019, Gettysburg, PA (Deadline for conference and hotel registration is February 8, 2019)*
 - 2. *NRECA Legislative Conference, April 28-30, 2019, Washington, DC (Deadline for conference and hotel registration is February 14, 2019)*
- C. *Minutes*
 - 1. *December 19, 2018, Regular Board of Directors' Meeting (Quezon-Vicente)*
- D. *Director Expenses*

Director Morse moved and Director Parks seconded the motion to approve the consent agenda.

After discussion, the 2019 Strategic Planning dates were tentatively scheduled for April 24-26 and August 14-16 in town but offsite.

Chair Chastain called for a vote. The motion passed unanimously, as amended.

V. CEO REPORTS AND CORRESPONDENCE

- A. *4th Quarter 2018 Safety Report (Freeman/Andrews)*
Tyler Andrews, Sr. VP Employee Services & Communication discussed 4th Quarter 2018 Safety Report and responded to questions from the Board.
- B. *Member Attitude Survey (Hasquet/Andrews)*
Julie Hasquet, Sr. Manager, Corporate Communications discussed Member Attitude Survey. Lee Thibert, CEO and Ms. Hasquet responded to questions from the Board.

- C. *November 2018 Financial Statements and Variance Report (Harris/Curran)*
Sherri Highers, Chief Financial Officer (CFO) and Sr. VP Finance and Administration, discussed the November 2018 Financial Statements and Variance Report. Lee Thibert, CEO and Ms. Highers responded to questions from the Board.
- D. *Meeting with ML&P Employees (Thibert)*
Lee Thibert, CEO reported on the January 22, 2019 meeting with ML&P employees and responded to questions from the Board.

VI. DIRECTOR REPORTS

- A. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*
Lee Thibert, CEO, Directors Crawford and Henderson reported on the January 16, 2019, ARCTEC Board meeting and the January 23, 2019, RCA Public meeting. Further discussion on ARCTEC is deferred to Executive Session.

Director Morse reported on the January 14, 2019, REAP Board meeting.

Director Crawford inquired if REAP had the opportunity to discuss Representative Mike Kraft's proposition on new Wind Farm, propane generation and battery combination. Director Morse stated that she has not been in a REAP meeting where it was discussed.

- B. *Board Committee Reports (Audit and Finance, Operations & Governance)*
Director Morse stated that the Audit and Finance Committee has not met since December 10, 2018 and the next meeting is scheduled in March.

Director Parks stated that the Operations Committee has not met since December 17, 2018 and a meeting is scheduled on February 6, 2019.

Director Reeves reported on the extensive report she completed from the October 25, 2018, Governance Committee meeting.

- C. *Other Meeting Reports*
Director Reeves reported on the NRECA meeting about Green House Gas Emissions.

Director Crawford stated that he attended a Climate Change meeting last weekend sponsored by IEEE.

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

- A. *Appointment of 2019 CFC Voting Delegate and Alternate* (Board)*

Director Parks moved and Director Morse seconded the motion that the Board of Directors appoints Director Henderson as the CFC Voting Delegate and Director Reeves as the alternate. The motion passed unanimously.

B. Board Policy 502 Contributions (Ayers/Resnick/Miller)*

Director Morse moved and Director Crawford seconded the motion that the Board of Directors approves the attached update to Board Policy 502 to reflect the addition of the Employee Volunteer Program. The motion passed unanimously.

Director Reeves designated Chair Chastain to sign for her expense report.

Directors Henderson and Hollis designated Director Parks to sign for their expense reports.

IX. EXECUTIVE SESSION

- A. 2019 State Legislative Briefing*
- B. Alaska Power Association Membership*
- C. Eklutna Dam*
- D. Financial Matters*
- E. Chugach Campus Renovations & Remodel Project*
- F. ML&P Acquisition Update*
 - 1. IMO Update*
 - 2. ML&P Acquisition RCA Filing Update*
 - 3. IBEW Labor Agreements*
- G. Status of Community Solar and Green Energy Program*
- H. On-Going Strategic Matters*
 - 1. Initiatives Under Consideration*
 - 2. Outstanding Risks to the Association*
- I. Transco Update*
- J. Chief Executive Officer Key Performance Indicators*
- K. Board Self Evaluation*

At 5:10 p.m., Director Parks moved and Director Crawford seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), (2) 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; 2) discuss personnel matters that may tend to prejudice the reputation or character of a person; however, the person may request a public discussion; and, 3) discuss with its attorneys legal matters, 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 9:06 p.m.

X. NEW BUSINESS

- A. Alaska Power Association Membership* (Board)*
This agenda item was addressed after Agenda Item X.B.

Director Parks moved and Director Crawford seconded the motion that the Board of Directors approves re-establishing membership in the Alaska Power Association as discussed in executive session. The motion passed unanimously.

- B. *Approve IBEW Labor Agreements* (Andrews)*
This agenda item was addressed before Agenda Item X.A.

Director Morse moved and Director Reeves seconded the motion that the Board of Directors postpone the action for approval of IBEW Labor Agreements until the next regularly scheduled Board meeting. The motion passed unanimously, as amended.

- C. *Financial Matters* (Highers)*
Director Morse moved and Director Parks seconded the motion that the Board of Directors approves the Financial Matters essentially as discussed in executive session. The motion passed unanimously.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 9:16 p.m., Director Morse moved and Director Crawford seconded the motion to adjourn. The motion passed unanimously.

Stuart Parks, Secretary

Date Approved: February 27, 2019