

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

April 24, 2019
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Divina Portades

I. CALL TO ORDER

Vice Chair Reeves called the Regular Board of Directors' Meeting to order at 4:01 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. Pledge of Allegiance

Vice Chair Reeves led the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Bettina Chastain, Chair (*via teleconference*)

Susan Reeves, Vice Chair

Stuart Parks, Secretary

Rachel Morse, Treasurer

Jim Henderson, Director

Harry Crawford, Director

Harold Hollis, Director

Guests and Staff in Attendance:

Lee Thibert

Connie Owens

Sean Skaling

Brian Hickey

Tom Schulman

Jody Wolfe

Arthur Miller

Josh Resnick

Renee Curran

Sherri Highers

Pete Smithson

Crystal Enkvist, APA

Matthew Clarkson

Kathy Harris

Al Bolea, Applied

Mark Fouts

Teresa Kurka

Leadership

Tyler Andrews

Andrew Laughlin

Keene O'Connor, Wilson

Paul Risse

Marty Freeman

Sonsini Goodrich & Rosati

Julie Hasquet

Phil Steyer

C. Safety Minute

Marty Freeman, Manager, Safety discussed "*Auto Breakdown Safety*" and responded to questions from the Board.

II. APPROVAL OF THE AGENDA

Director Hollis moved and Director Morse seconded the motion to approve the agenda. The motion passed unanimously.

III. PERSONS TO BE HEARD

- A. *Member Comments*
None

IV. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
 - 1. *APA Annual Meeting – Juneau, AK (August 20-23, 2019)*
- C. *Minutes*
 - 1. *March 25, 2019, Special Board of Directors' Meeting (Portades)*
 - 2. *March 27, 2019, Regular Board of Directors' Meeting (Quezon)*
 - 3. *April 18, 2019, Special Board of Directors' Meeting (Portades)*
- D. *Director Expenses*

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

V. CEO REPORTS AND CORRESPONDENCE

Lee Thibert, Chief Executive Officer (CEO) stated that Chugach have a new employee and Brian Hickey, Chief Operating Officer (COO) introduced Pete Smithson as the new Sr. VP, Power Supply and stated that he will replace Paul Risse who will retire in January 2020. Mr. Smithson gave an overview of his background and experience to the Board.

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

- A. *1st Quarter 2019 Safety Report (Freeman/Andrews)*
Lee Thibert, CEO, discussed the 1st Quarter 2019 Safety Report.
- B. *1st Quarter 2019 Communications Report (Hasquet/Andrews)*
Lee Thibert, CEO, stated that the 1st Quarter 2019 Communications Report is provided in the meeting packet.
- C. *Election Status Update (Kurka/Miller)*
Teresa Kurka, Director, Member Services, Julie Hasquet, Sr. Manager, Corporate Communication and Arthur Miller, Sr. VP, Regulatory and External Affairs, discussed the Election Status Update and responded to questions from the Board.
- D. *January 2019 Financial Statements and Variance Report (Harris/Curran)*
Sherri Highers, CFO and Sr. VP Finance and Administration discussed the January 2019 Financial Statements and Variance Report.
- E. *February 2019 Financial Statements and Variance Report (Harris/Curran)*
Sherri Highers, CFO and Sr. VP Finance and Administration discussed the February 2019 Financial Statements and Variance Report.
- F. *2019 State Legislative Briefing (Steyer)*
Phil Steyer, Director, Government Relations discussed the 2019 State Legislative Briefing and responded to questions from the Board.

Further discussion on State Legislative Briefing will be deferred to Executive Session.

VI. DIRECTOR REPORTS

A. Alaska Power Association (APA) Report

Director Hollis stated that Crystal Enkvist, APA is present and will report on APA upcoming events.

B. Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report

Director Crawford and Lee Thibert, CEO stated that there were no ARCTEC meeting to report.

C. Renewable Energy Alaska Project (REAP) Report

Directors Henderson and Morse and Sean Skaling, Manager, Business and Sustainability Program Development reported on the April 24, 2019, REAP Board Meeting.

D. Board Committee Reports (Audit and Finance, Operations & Governance)

Director Morse stated that there were no Audit and Finance Committee meeting to report.

Director Parks reported on the April 22, 2019, Operations Committee meeting.

Director Reeves reported on the April 23, 2019, Governance Committee meeting.

E. Other Meeting Reports

None

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

None

IX. EXECUTIVE SESSION

A. Wholesale Capital Credit Payments

B. IMO Professional Service Contract Extension for RGP

C. RCA Order: Green Energy/Community Solar

D. 2018 Chief Executive Officer Evaluation and Compensation

E. 2019 Chief Executive Officer Key Performance Indicators

At 4:53 p.m., Director Morse 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 6:49 p.m.

X. NEW BUSINESS

A. Wholesale Capital Credit Payments (Highers)*

Director Hollis moved and Director Henderson seconded the motion that the Board of Directors approve the attached resolution authorizing a capital credit retirement payment to HEA, MEA and Seward of \$2,000,000, \$6,080,914.54 and \$281,043.46, respectively. This capital credit retirement payment will be distributed immediately. The motion passed unanimously.

B. IMO Professional Service Contract Extension for RGP (Fouts)*

Director Hollis moved and Director Parks seconded the motion that the Board of Directors authorize the Chief Executive Officer to execute an extension of the IMO Professional Service Contract with RGP for consulting services to increase the funding by \$1,677,648.00 for the period from May 11, 2019 through October 1, 2019, not-to-exceed total contract amount of \$2,332,848.00. The motion passed unanimously.

C. 2018 Chief Executive Officer Evaluation and Compensation (Board)*

Vice Chair Reeves deferred this agenda item to the April 26, 2019, Special Board of Directors' Meeting. No objections were made.

D. 2019 Chief Executive Officer Key Performance Indicators (Board)*

Vice Chair Reeves deferred this agenda item to the April 26, 2019, Special Board of Directors' Meeting. No objections were made.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 7:03 p.m., Director Morse moved and Director Parks seconded the motion to adjourn. The motion passed unanimously.

/ss/
Stuart Parks, Secretary
Date Approved: May 22, 2019