

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

October 24, 2018
Wednesday
4:00 PM

REGULAR BOARD OF DIRECTORS MEETING

Recording Secretary: Arden Quezon-Vicente

I. CALL TO ORDER

Chair Chastain called the Regular Board of Directors' Meeting to order at 4:04 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
Stuart Parks, Secretary
Rachel Morse, Treasurer
Jim Henderson, Director
Harry Crawford, Director
Harold Hollis, Director

Guests and Staff in Attendance:

Lee Thibert	Julie Hasquet	Tom Schulman
Paul Risse	Connie Owens	Josh Travis
Brian Hickey	Josh Resnick	James Mullican
Arthur Miller	Jody Wolfe	Jim Bertrand, Stinson
Sherri Highers	Renee Curran	Leonard Street
Tyler Andrews	Todd McCarty	Aaron Wiseman, Gonzalez
Matthew Clarkson	Andrew Laughlin	Marketing
Mark Fouts	Marty Freeman	Brian Meissner, ECI

C. Safety Minute

Marty Freeman, Safety discussed “*End of Daylight Savings Time Can be Deadly*” and responded to questions from the Board.

Chair Chastain presented Director Parks the NRECA Certificate of Achievement for successfully completing the Credentialed Cooperative Director Program.

Director Reeves presented Chair Chastain the NRECA Certificate of Achievement for successfully completing the Board Leadership Program.

II. APPROVAL OF THE AGENDA

Director Reeves moved and Director Parks seconded the motion to approve the agenda.

Director Morse recommended to move the December 6, 2018, Audit and Finance Committee meeting to December 10, 2018. No objections were made.

Chair Chastain stated that she and Director Reeves have a request for an excused absence for September 13, 2018, Operations Committee Meeting. No objections were made and the request was approved.

Chair Chastain also stated that Director Crawford has requested an excused absence for the October 9, 2018, Operations Committee Meeting. No objections were made and the request was approved.

The motion passed unanimously, as amended.

III. PERSONS TO BE HEARD

- A. *Member Comments*
None

IV. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
 - 1. *Director Winter School, November 30 – December 5, 2018, Nashville, TN (Deadline for conference and hotel registration is October 29, 2018)*
- C. *Minutes*
 - 1. *September 24, 2018, Special Board of Directors Meeting (Portades)*
 - 2. *September 27, 2018, Regular Board of Directors' Meeting (Quezon-Vicente)*
- D. *Director Expenses*

Director Morse restated that the December 6, 2018, Audit and Finance Committee meeting has been moved to December 10, 2018.

Director Parks moved and Director Hollis seconded the motion to approve the consent agenda. The motion passed unanimously, as amended.

V. CEO REPORTS AND CORRESPONDENCE

- A. *August 2018 Financial Statements and Variance Report (Harris/Curran)*
The August 2018 Financial Statements and Variance Report were provided in the meeting packet.

Sherri Highers, Chief Financial Officer and VP of Finance and Administration

and Arthur Miller, VP Regulatory and External Affairs responded to questions from the Board.

B. 3rd Quarter 2018 Safety Report (Freeman/Andrews)

Tyler Andrews, VP Employee Services and Communications discussed the 3rd Quarter 2018 Safety Report and responded to questions from the Board.

Mr. Andrews also stated that Chugach Electric was a participant in the RESAP workshop and that debriefing of the report will be discussed at the next safety meeting.

VI. DIRECTOR REPORTS

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

Lee Thibert, Chief Executive Officer (CEO) stated that there is an ARCTEC memo attached to this Agenda item.

Brian Hickey, VP System Operations and Lee Thibert, CEO reported on the October 2, 2018, ARCTEC meeting and RCA meeting held today, October 24, 2018.

B. Renewable Energy Alaska Project (REAP) Report

Director Morse reported on the October 23, 2018, REAP Policy meeting and stated that the REAP Strategic meeting will be on November 15, 2018.

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

Director Morse informed the Board that she does not have any meetings to report and that the December 6, 2018, Audit and Finance Committee meeting was moved to December 10, 2018 as stated under Consent Agenda.

Director Parks reported on the October 9, 16 and 22, 2018, Operations Committee meetings.

Director Reeves stated that there is a Governance Committee meeting on Thursday, October 25, 2018 at 8:00 a.m.

D. Other Meeting Reports

None

VII. UNFINISHED BUSINESS

VIII. NEW BUSINESS

None

Mr. Thibert, CEO commented on this morning's RCA meeting and stated that there will be further discussion in Executive Session.

IX. EXECUTIVE SESSION* (scheduled)

- A. *Construction Manager/General Contractor (CMGC) Update*
- B. *ML&P Acquisition Update*
- C. *On-Going Strategic Matters*
- D. *Update on TRANSCO*
- E. *CEO Contract Extension*

At 4:46 p.m., Director Reeves 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 8:21 p.m.

X. NEW BUSINESS

- A. *Authorization for the CEO to Execute the Asset Purchase Agreement and Related Ancillary Agreements** (Miller)*

Director Morse moved and Director Parks seconded the motion that the Chugach Board of Directors approve the attached Resolution authorizing the Chief Executive Officer to, subject to conditions stated therein, among other things: 1) Execute and deliver the Asset Purchase Agreement under terms and conditions substantially in the form attached thereto as Exhibit A; 2) Execute the ancillary agreements to the Asset Purchase Agreement as described in the Resolution under terms and conditions substantially in the form attached thereto as Exhibits B, C and D; 3) Execute and deliver all such further documents in the name of the Association as necessary; and, 4) Take all such other actions as the Chief Executive Officer shall deem necessary to carry out the transactions contemplated by the attached Resolution. The motion passed unanimously.

- B. *Amend Professional Legal Services Contract – Stinson Leonard Street* (Schulman)*

Tom Schulman, Manager, Regulatory Legal discussed the Amendment to the Professional Legal Services Contract – Stinson Leonard Street and responded to question from the Board.

Matthew Clarkson, Legal Counsel and Arthur Miller, VP Regulatory and External Affairs responded to questions from the Board.

Director Hollis moved and Director Henderson seconded the motion that the Board of Directors approves an increase to the Task Order for Stinson Leonard Street's work on the acquisition of ML&P assets and related matters from

\$565,652 to \$1,479,190 and a total contract NTE amount of \$1,599,190. The motion passed unanimously.

C. National Association of Corporate Directors (NACD) Membership (Board)*
Chair Chastain stated that the Board will be taking a poll via email.

D. Discussion on Legislative Reception (Board)
Lee Thibert, CEO discussed the agenda for the Legislative Reception.

E. Approve CEO Contract Extension (Board)*
Director Reeves moved and Director Henderson seconded the motion that the Board of Directors approves the amendment to the Chief Executive Officer Employment Agreement dated February 25, 2016 in accordance with the terms discussed in executive session. The motion passed unanimously.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 8:43 p.m., Director Parks moved and Director Crawford seconded the motion to adjourn. The motion passed unanimously.

/ss/

Stuart Parks, Secretary

Date Approved: November 28, 2018