

**CHUGACH ELECTRIC ASSOCIATION, INC.**  
**Anchorage, Alaska**

**September 17, 2019**  
**Tuesday**  
**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 4:01 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 (*arrived at 4:15 p.m.*)

*Chair Chastain stated that at the September 3, 2019, Special Board of Directors' Meeting, Director Hollis requested an excused absence for the September 17, 2019, Regular Board of Directors' Meeting. No objections were made.*

*Guests and Staff in Attendance:*

Lee Thibert	Connie Owens	Renee Curran
Brian Hickey	Pete Smithson	Todd McCarty
Matthew Clarkson	Josh Resnick	Russ Thornton
Arthur Miller	Jean Kornmuller	Crystal Enkvist, Alaska
Tyler Andrews	Andrew Laughlin	Power Association (APA)
Mark Fouts	Marty Freeman	Don Edwards, Consultant
Sherri Highers	Jody Wolfe	( <i>via teleconference</i> )

*C. Safety Minute*

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

*Chair Chastain stated that Director Hollis designated Director Parks to sign for his expense report.*

## **II. APPROVAL OF THE AGENDA**

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

*Director Hollis was not present at the time of the vote.*

## **III. PERSONS TO BE HEARD**

### *A. Member Comments*

None

## **IV. CONSENT AGENDA**

### *A. Board Calendar*

### *B. Training and Conferences*

- 1. 2019 APA Accounting and Finance Workshop, October 10-11, 2019, Anchorage, AK (Deadline for conference registration is September 27, 2019)*

### *C. Minutes*

- 1. August 19, 2019, Regular Board of Directors' Meeting (Quezon)*
- 2. September 3, 2019, Special Board of Directors' Meeting (Quezon)*

### *D. Director Expenses*

Director Reeves moved and Director Crawford seconded the motion to approve the consent agenda. The motion passed unanimously.

*Director Hollis was not present at the time of the vote.*

## **V. CEO REPORTS AND CORRESPONDENCE**

### *A. July 2019 Financial Statements and Variance Report (Harris/Curran)*

Sherri Highers, Chief Financial Officer and Executive VP, Finance and Administration discussed the July 2019 Financial Statements and Variance Report and responded to questions from the Board.

### *B. 3<sup>rd</sup> Quarter 2019 Railbelt Bill Comparison (Skaling/Miller)*

The 3<sup>rd</sup> Quarter 2019 Railbelt Bill Comparison is provided in the meeting packet.

### *C. Swan Lake Fire Impact on Rates (Hickey/Miller)*

Brian Hickey, Chief Operating Officer (COO) stated that Russ Thornton, Sr. Manager, G&T System Control and Jean Kornmuller, Manager, Regulatory Affairs will discuss the Swan Lake Fire Impact on Rates. Mr. Thornton, Ms. Kornmuller and Mr. Hickey responded to questions from the Board.

*Director Hollis arrived at 4:15 p.m.*

Lee Thibert, Chief Executive Officer (CEO) requested that further discussion on the Swan Lake Fire Impact on Rates be deferred to Executive Session. No objections were made.

## **VI. DIRECTOR REPORTS**

### *A. Alaska Power Association (APA) Report*

Director Hollis stated that Crystal Enkvist, APA will report on APA's Annual Meeting and upcoming events.

Ms. Enkvist responded to questions from the Board and congratulated Director Hollis to his appointment to the APA Board during the APA Annual Meeting.

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

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

### *C. Renewable Energy Alaska Project (REAP) Report*

Director Morse reported on the August 28, 2019, REAP's 15<sup>th</sup> Anniversary event and stated that the REAP Public Policy Committee meeting is scheduled for September 18, 2019.

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

Director Morse stated that there was no Finance Committee meeting to report.

Director Parks stated that there was no Operations Committee meeting to report.

Chair Chastain discussed that the October 7, 2019, Operations Committee Meeting might be canceled or start later. Lee Thibert, CEO stated that 5:00 p.m. start time will work best for the staff.

Vice Chair Reeves reported there were four assignments to be addressed from the August 8, 2019, Governance Committee meeting.

### *E. Other Meeting Reports*

None

## **VII. UNFINISHED BUSINESS**

### *A. 2019 Salary Table Market Revision\* (Andrews)*

Tyler Andrews, Executive VP, Employee Services and Communications discussed the 2019 Salary Table Market Revision and responded to questions from the Board.

Director Morse moved and Director Hollis seconded the motion that the Board of Directors approve the 2019 Salary Table Market Revision as the basis for the non-represented unit salary table administration, essentially the same as discussed in Executive Session at the August 19, 2019, Regular Board of Directors Meeting.

After discussion, Chair Chastain called for a vote. The motion passed unanimously.

*B. NRECA Resolutions (Board Discussion)*

Director Reeves led the discussion on the NRECA Resolutions and Phil Steyer's memo summarizing the proposed NRECA Resolutions and responded to questions from the Board.

**VIII. NEW BUSINESS**

None

**IX. EXECUTIVE SESSION**

- A. Gas Supply*
- B. Quartz Creek Transmission Line*
- C. Update on TRANSCO Concept*
- D. Update on RRC MOU*
- E. IMO Update*
- F. ML&P Acquisition RCA Filing Update*

At 5:27 p.m., Director Morse moved and Director Reeves 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) 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 8:00 p.m.*

**X. NEW BUSINESS**

*A. Gas Supply\* (Fouts)*

Director Parks moved and Director Morse seconded the motion that the Board of Directors authorize the Chief Executive Officer to finalize the terms and conditions of the purchase of gas supply essentially the same as discussed in Executive Session. The motion passed unanimously.

*B. Point Mackenzie Project Authorization\*\* (Laughlin/Hickey)*

Brian Hickey, COO stated that Andrew Laughlin, VP Engineering Transmission will discuss the Point Mackenzie Project Authorization. Mr. Hickey and Mr. Laughlin responded to questions from the Board.

Director Morse moved and Director Parks seconded the motion that the Board of Directors authorize the Chief Executive Officer to proceed with the Point Mackenzie 230 kV Substation Rebuild at an estimated total cost of \$3,700,000 with an estimated completion date of April 2020. The motion passed unanimously.

**XI. DIRECTOR COMMENTS**

Director comments were made at this time.

**XII. ADJOURNMENT**

At 8:24 p.m., Director Morse moved and Director Hollis seconded the motion to adjourn. The motion passed unanimously.

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/ss/

Stuart Parks, Secretary

Date Approved: October 24, 2019