

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

**October 24, 2019**  
**Thursday**  
**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 4:02 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 (*via teleconference*)  
Jim Henderson, Director (*via teleconference*)  
Harry Crawford, Director  
Harold Hollis, Director

*Guests and Staff in Attendance:*

|                  |                |                               |
|------------------|----------------|-------------------------------|
| Lee Thibert      | Tyler Andrews  | John Perara, Willis,          |
| Brian Hickey     | Mark Fouts     | Towers, Watson                |
| Matthew Clarkson | Arthur Miller  | Linda Eckholm, Willis,        |
| Paul Risse       | Sherri Highers | Towers, Watson                |
| Sean Skaling     | Connie Owens   | Crystal Enkvist, Alaska       |
| Andrew Laughlin  | Phil Steyer    | Power Association (APA)       |
| Pete Smithson    | Julie Hasquet  | Jim Posey, Member             |
| Kate Ayers       | Tom Schulman   | Don Edwards, Consultant       |
| Russ Thornton    | Josh Resnick   | ( <i>via teleconference</i> ) |
| Kathy Harris     | Teresa Kurka   | Jim Bertrand, Stinson LLP     |
| Jody Wolfe       | Marty Freeman  | ( <i>via teleconference</i> ) |

*C. Safety Minute*

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

*Chair Chastain stated that Director Morse designated Director Parks to sign for her expense report.*

*Chair Chastain stated that Vice Chair Reeves designated Chair Chastain to sign for her expense report.*

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

*Chair Chastain stated that Director Morse is participating via teleconference and designated Director Crawford as acting Treasurer for tonight's meeting. No objections were made.*

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

Director Crawford moved and Director Parks 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. *Director Winter School, December 13-18, 2019, Nashville, TN, (Deadline for conference registration is November 8, 2019)*
- C. *Minutes*
  - 1. *September 17, 2019, Regular Board of Directors' Meeting (Portades)*
- D. *Director Expenses*

Director Hollis moved and Vice Chair Reeves seconded the motion to approve the consent agenda and the September 17, 2019, Regular Board of Directors' Meeting.

Director Hollis offered a friendly amendment to retract the original motion. Vice Chair Reeves accepted the friendly amendment.

Director Hollis moved and Vice Chair Reeves seconded the motion to approve the consent agenda. The motion passed unanimously.

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

- A. *Update on Member Appreciation Day (Ayers/Miller)*  
Lee Thibert, Chief Executive Officer (CEO) discussed the Member Appreciation Day and congratulated the staff for the successful event.
- B. *3<sup>rd</sup> Quarter 2019 Safety Report (Freeman/Andrews)*  
Lee Thibert, CEO discussed the 3<sup>rd</sup> Quarter 2019 Safety Report.
- C. *Eklutna Wildlife Study and Mitigation Project (Risse)*  
Paul Risse, Sr. VP, Production and Engineering discussed the Eklutna Wildlife Study and Mitigation Project and responded to questions from the Board.

- D. *August 2019 Financial Statements and Variance Report (Harris/Curran)*  
Sherri Highers, Chief Financial Officer and Executive VP, Finance and Administration discussed the August 2019 Financial Statements and Variance Report. Ms. Highers and Brian Hickey, Chief Operating Officer (COO) responded to questions from the Board.
- E. *Board Policy Scheduled Tasks/Reports (Board/Staff)*  
Lee Thibert, CEO discussed the Board Policy Scheduled Tasks/Reports. Mr. Thibert, CEO, Brian Hickey, COO and Arthur Miller, Executive VP, Regulatory and External Affairs responded to questions from the Board.

## VI. DIRECTOR REPORTS

- A. *Alaska Power Association (APA) Report*  
Director Hollis stated that Crystal Enkvist, APA is present and will be reporting on APA upcoming events and responding to questions from the Board.
- B. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*  
Director Crawford and Lee Thibert, CEO reported on the October 24, 2019 ARCTEC Board meeting.

Director Crawford and Lee Thibert, CEO requested to defer further discussion in the Executive Session.

Lee Thibert, CEO thanked Crystal Enkvist, APA for providing administrative, budget and accounting services to ARCTEC and that APA will continue those services for year 2020.

- C. *Renewable Energy Alaska Project (REAP) Report*  
Director Morse stated that there was no REAP meeting to report and the next meeting is scheduled for October 30, 2019.
- D. *Board Committee Reports (Audit and Finance, Operations & Governance)*  
Director Morse stated that there was no Audit and Finance Committee meetings to report and the next Audit and Finance Committee meetings are scheduled for November 5 & 6, 2019.

Director Parks reported on the October 7, 2019, Operations Committee Meeting and requested further discussion in the Executive Session.

Lee Thibert, CEO stated that the RCA hearings are resuming next Tuesday, October 29<sup>th</sup> and could go through the second week of November. And that the November Audit and Finance Committee meeting start times might need to be changed to 5:00 p.m. and will update the Board in the next week.

Vice Chair Reeves stated that there was no Governance Committee meeting to report and that there are assignments to be addressed from August 8, 2019, Governance Committee meeting.

- E. *Other Meeting Reports*  
None

## **VII. UNFINISHED BUSINESS**

None

## **VIII. NEW BUSINESS**

- A. *Discussion on Legislative Luncheon (Board)*  
Lee Thibert, CEO discussed the Legislative Luncheon agenda and responded to questions from the Board.

Directors Henderson and Morse reported on the NRECA Region 9 meeting.

## **IX. EXECUTIVE SESSION**

- A. *Non-Represented Retirement Pay and Benefits*
  - 1. *Retirement Pay*
  - 2. *Health Reimbursement Account (HRA)*
- B. *Gas Supply*
- C. *IMO Update*
- D. *ML&P Acquisition RCA Filing Update*
  - 1. *Stipulated Settlement of ML&P Acquisition and Amendments to Transaction Agreements*
- E. *Update on RRC MOU*

At 5:01 p.m., Director Hollis moved and Director Parks 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 8:35 p.m.*

## **X. NEW BUSINESS**

- A. *Health Reimbursement Account (HRA)\* (Andrews)*  
Director Parks moved and Director Hollis seconded the motion that the Board of Directors approve the addition of the NRECA HRA Plan to available employer-provided reimbursement programs as discussed in Executive Session. The motion passed unanimously.
- B. *Budget Revision – Project Funding for Eklutna Unit 2 Rebuild\* (Brodie/Risse)*  
Director Parks moved and Director Hollis seconded the motion that the Board of Directors approve project expenditures for the Eklutna Hydroelectric Unit 2 Major Maintenance project with an estimated cost to Chugach of \$1,047,681 and an estimated completion date of April 30, 2020. The motion passed unanimously.
- C. *Gas Supply\* (Fouts)*  
Director Hollis moved and Director Crawford seconded the motion that the Board of Directors authorize the Chief Executive Officer to negotiate and finalize the

terms and conditions of a 4<sup>th</sup> amendment to the Chugach-Hilcorp Gas Sales and Purchase Agreement, essentially the same as discussed in Executive Session. The motion passed unanimously.

*D. Stipulated Settlement of ML&P Acquisition and Amendments to Transaction Agreements\* (Miller/Thibert)*

Director Hollis moved and Director Crawford seconded the motion that the Board of Directors approve the Resolution authorizing the Chief Executive Officer to execute the Stipulated Settlement, Settlement Amendments, and Non-Settlement Amendments to the Transaction Agreements under terms and conditions substantially the same as discussed in Executive Session, and that the Resolution, Stipulation, and Settlement Amendments remain confidential until filed with the Commission. The motion passed unanimously.

*E. IMO Program Budget\* (Fouts)*

Director Hollis moved and Director Crawford seconded the motion that the Board of Directors approve movement of \$5,207,106 from Post-RCA expenditure to Pre-RCA expenditure, and authorize the Chief Executive Officer to spend no more than \$19,590,768 before the RCA decision on the acquisition of ML&P. The motion passed unanimously.

**XI. DIRECTOR COMMENTS**

Director comments were made at this time.

**XII. ADJOURNMENT**

At 8:47 p.m., Director Parks moved and Director Hollis seconded the motion to adjourn. The motion passed unanimously.

*Director Henderson and Vice Chair Reeves were not present at the time of the vote.*

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/ss/  
Stuart Parks, Secretary  
Date Approved: November 26, 2019