

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

November 26, 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 4:03 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 (*arrived at 4:05 p.m.*)

Stuart Parks, Secretary

Rachel Morse, Treasurer

Jim Henderson, Director

Harry Crawford, Director (*arrived at 4:04 p.m.*)

Harold Hollis, Director

Guests and Staff in Attendance:

Lee Thibert

Tyler Andrews

Jean Kornmuller

Brian Hickey

Mark Fouts

Teresa Kurka

Matthew Clarkson

Arthur Miller

Renee Curran

Sean Skaling

Sherri Highers

Paul Johnson

Andrew Laughlin

Connie Owens

Bill Murray

Russ Thornton

Phil Steyer

Crystal Enkvist, Alaska

Jody Wolfe

Julie Hasquet

Power Association (APA)

Director Crawford arrived at 4:04 p.m.

C. Safety Minute

Tyler Andrews, Executive VP, Employee Services and Communication discussed "Holiday Safety – Thanksgiving Safety Tips". Mr. Andrews and Lee Thibert, Chief Executive Officer (CEO) gave additional prevention safety tips.

Director Reeves arrived at 4:05 p.m.

- D. *Certificate of Achievement – Morse – Credentialed Cooperative Director (Chastain)*
Chair Chastain presented the Credentialed Cooperative Director certificate of achievement to Director Morse.
- E. *Certificate of Achievement – Reeves – Board Leadership Program (Chastain)*
Chair Chastain presented the Board Leadership Program certificate to Director Reeves.

II. APPROVAL OF THE AGENDA

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

III. PERSONS TO BE HEARD

- A. *Member Comments*
None

IV. CONSENT AGENDA

- A. *Director Henderson – Excused Absence, November 5-6, 2019, Audit and Finance Committee Meetings*
- B. *Board Calendar*
- C. *Training and Conferences*
 - 1. *Alaska Power Association State Legislative Conference, January 29-30, 2020, Juneau, Alaska (Deadline for conference registration is December 18, 2019)*
 - 2. *2020 NRECA Annual Meeting, February 27-March 1, 2020, New Orleans, LA (Deadline for conference registration is December 31, 2019)*
- C. *Minutes*
 - 1. *October 24, 2019, Regular Board of Directors' Meeting (Portades)*
 - 2. *November 11-12, 2019, Special Board of Directors' Meeting (Quezon/Portades)*
- D. *Director Expenses*
- E. *Approval of 2020 Operating and Capital Budget*
- F. *First Amendment to CoBank Master Loan Agreement*
- G. *Discounting for 2020 Capital Credit Payments*

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

V. CEO REPORTS AND CORRESPONDENCE

- A. *Member Attitude Survey (Hasquet)*
Julie Hasquet, Sr. Manager, Corporate Communications discussed the Member Attitude Survey. Ms. Hasquet and Mr. Thibert, CEO 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 responded to questions from the Board.
- 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 October 30, 2019, REAP Quarterly Board Meeting.

Director Henderson reported on REAP presentation on Tidal Energy Generation presentation at the Museum.

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

Director Morse reported on the November 5 & 6, 2019, Audit and Finance Committee meetings.

Director Reeves commented that former Director Cooper started a procedure in meeting with auditors.

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

Director Reeves stated that Governance Committee have not met, but Director Morse presented the Member Advisory Council (Council) status at the Strategic Planning session and that they will work on creating a scope for the Council.

Director Reeves also stated that she would like to resume the Governance Committee meetings soon.

Chair Chastain stated that there will be additional discussion on the Member Advisory Council.

E. *Other Meeting Reports*

Director Henderson discussed Cybersecurity issues presented at the NWPPA/APA Alaska Electric Utility Conference on November 20-21, 2019.

Director Henderson discussed the ACRE and encouraged the Board members to join and donate.

Director Parks discussed the Gettysburg Leadership Experience training that he attended in October 2019.

VII. UNFINISHED BUSINESS

A. *Legislative Goals* (Board)*

Lee Thibert, CEO discussed the Legislative Goals.

Director Hollis moved and Director Parks seconded the motion that the Board of Directors adopt the recommendation to monitor legislative issues in 2020 as discussed in the attached October 24, 2019 memo. The motion passed unanimously.

VIII. NEW BUSINESS

A. *Member Advisory Council* (Board)*

Director Morse moved and Director Reeves seconded that the Board of Directors establish the Member Advisory Council (MAC) as an *ad hoc* committee and that

Association staff begin the process of advertising for member volunteers to serve on the Council. Completed member applications should be presented to the Board at its February 16, 2020 meeting such that the MAC can begin meeting soon thereafter. The motion passed unanimously.

B. Appointments to 2020 Bylaws Committee (Board)*

Director Henderson moved and Director Reeves seconded that the Board of Directors appoints Donna Resnick and Jessica Koloski to “A” terms and Mitchell Roth to the “B” term on the Bylaws Committee.

Director Henderson requested a friendly amendment to the original motion.

Director Reeves accepted the friendly amendment.

Director Henderson moved and Director Parks seconded that the Board of Directors appoints Donna Resnick and Jessica Koloski to “A” terms and Mitchell Roth to the “C” term on the Bylaws Committee.

Lee Thibert, CEO and Matthew Clarkson, Executive VP, General Counsel responded to questions from the Board.

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

C. Appointments to 2020 Election Committee (Board)*

Director Henderson moved and Director Reeves seconded that the Board of Directors appoints Jim Magowan, William Simpson, Mary (Patti) Bogan and Lawrence Camp and Dawn Bundick to “A” terms on the Election Committee.

Lee Thibert, CEO and Matthew Clarkson, Executive VP, General Counsel responded to questions from the Board.

Director Henderson amended the motion and there were no objections made.

Director Henderson moved and Director Reeves seconded that the Board of Directors appoints Jim Magowan, William Simpson, Mary (Patti) Bogan and Lawrence Camp to “A” terms and Dawn Bundick to the “C” term on the Election Committee.

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

D. Appointments to 2020 Nominating Committee (Board)*

Director Reeves moved and Director Hollis seconded that the Board of Directors appoints Vicki Soule to “A” term on the Nominating Committee. The motion passed unanimously.

E. Project Authorization – Mobile Radio Replacement (Hickey)*

Brian Hickey, Chief Operating Officer introduced Paul Johnson, Sr. Manager, Control and Communications and Bill Murray, Supervisor, Telecommunication. Mr. Johnson

and Mr. Murray discussed the Land Mobile Radio Replacement project. Mr. Johnson, Mr. Murray and Mr. Hickey responded to questions from the Board.

Director Parks moved and Director Crawford seconded that the Board of Directors authorize project expenditures for Land Mobile Radio Replacement Project at an estimated total cost of \$1,995,169 with an estimated completion date of July 2021. The motion passed unanimously.

- F. *September 2019 Test Year Simplified Rate Filing* (Kornmuller/Miller)*
Jean Kornmuller, Manager, Regulatory Affairs discussed the September 2019 Test Year Simplified Rate Filing.

Director Morse moved and Director Henderson seconded that the Board of Directors approve the Resolution authorizing Chugach to file with the Regulatory Commission of Alaska, a September 2019 test year Simplified Rate Filing requesting approval to increase the demand and energy rates by 0.4 percent to Chugach retail and increase the demand and energy rates by 1.8 percent to Seward. The motion passed unanimously.

IX. EXECUTIVE SESSION

- A. *Green Energy Program and Community Solar*
- B. *IMO Update*
- C. *RRC MOU Update*
- D. *APA/AIE CEO Evaluation*

At 5:12 p.m., Director Reeves moved and Director Hollis 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 7:03 p.m.

X. NEW BUSINESS

- A. *Adoption of Green Energy Program** (Skaling/Miller)*
The Adoption of Green Energy Program has been deferred to future Operations Committee meeting. No objections were made.
- B. *IMO Program Funding* (Fouts)*
Director Morse moved and Director Hollis seconded 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 \$3,509,504 for a not-to-exceed total contract amount of \$7,347,123; and execute an extension with RDI for \$4,060,560; and execute an extension with CTG for \$1,178,000, all three contracts with period ending December 31, 2020.

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

*C. RRC Memorandum of Understanding (MOU)** (Hickey)*

Director Henderson moved and Director Morse seconded that the Chugach Board of Directors approve the Chief Executive Officer (CEO) to execute the RRC MOU under terms and conditions substantially the same as discussed in Executive Session. The motion passed unanimously.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 7:13 p.m., Director Hollis moved and Director Parks seconded the motion to adjourn. The motion passed unanimously.

/ss/

Stuart Parks, Secretary

Date Approved: December 18, 2019