

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

December 18, 2019
Wednesday
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 – *via teleconference*

Stuart Parks, Secretary – *arrived at 4:13 p.m.*

Rachel Morse, Treasurer

Jim Henderson, Director

Harry Crawford, Director

Harold Hollis, Director – *via teleconference*

Guests and Staff in Attendance:

Lee Thibert

Mark Fouts

Renee Curran

Brian Hickey

Paul Risse

Laurel Foster

Matthew Clarkson

Arthur Miller

Tom Schulman

Tyler Andrews

Sherry Highers

Crystal Enkvist, Alaska

Sean Skaling

Arden Quezon-Vicente

Power Association (APA)

Andrew Laughlin

Marty Freeman

Paul McLarnon, HDR

Jody Wolfe

Josh Resnick

Dave Casey, HDR

Phil Steyer

Teresa Kurka

Luke Sliman

Pete Smithson

C. Safety Minute

Marty Freeman, Manager, Safety discussed "*Winter Vehicle Preparation*".

II. APPROVAL OF THE AGENDA

Director Hollis moved and Director Crawford seconded the motion to approve the agenda.

Lee Thibert, Chief Executive Officer (CEO), requested to add “115kV line going to Kenai and RCA Order on the ML&P Acquisition” to the CEO Reports and Correspondence.

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

Director Parks 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. *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 30, 2019)*
- C. *Minutes*
 - 1. *November 26, 2019, Special Board of Directors’ Meeting (Portades)*
 - 2. *November 26, 2019, Regular Board of Directors’ Meeting (Portades)*
- D. *Director Expenses*

Director Morse moved and Director Crawford seconded the motion to approve the consent agenda.

Chair Chastain stated that Directors Hollis and Reeves are participating via teleconference and need to designate a Board member to sign for their expense report. Due to audio technical difficulties, Chair Chastain appointed Director Henderson to sign for Director Reeves’ expense report and Director Crawford to sign for Director Hollis’ expense report. No objections were made.

Chair Chastain stated that she is requesting for an excused absence for the December 9, 2019, Operations Committee Meeting.

After discussion, Chair Chastain called for a vote on the consent agenda. The motion passed unanimously.

Director Morse moved and Director Crawford seconded the motion to excuse Chair Chastain for the December 9, 2019, Operations Committee Meeting. The motion passed unanimously.

Director Parks was not present at the time of the vote.

V. CEO REPORTS AND CORRESPONDENCE

Lee Thibert, CEO discussed the following items. Mr. Thibert, Arthur Miller, Executive VP, Regulatory and External Affairs and Sherri Highers, CFO and Executive VP, Finance and Administration responded to questions from the Board.

1. 115kV Line going to Kenai
2. ML&P Acquisition – RCA Order
3. Financial Statements
4. Safety Record
5. Vehicle Incident Report
6. RRC MOU
7. Cybersecurity

Director Parks arrived at 4:13 p.m.

- A. *October 2019 Financial Statements and Variance Report (Harris/Curran)*
Sherri Highers, CFO and Executive VP, Finance and Administration discussed the October 2019 Financial Statements and Variance Report and responded to questions from the Board. Further discussion will be deferred in Executive Session.
- B. *4th Quarter 2019 Railbelt Bill Comparison (Skaling/Miller)*
The 4th Quarter 2019 Railbelt Bill Comparison is provided in the meeting packet.
- C. *Write-off of Accounts Receivable – Electric/Other (Kurka/Miller)*
Lee Thibert, CEO and Executive VP, Regulatory and External Affairs discussed the Write-off of Accounts Receivable – Electric/Other and responded to questions from the Board.
- D. *Board Policy Scheduled Tasks (Thibert)*
The Board Policy Scheduled Tasks/Reports provided in the meeting packet.
- E. *Review 2021-2034 Financial Forecast (Highers)*
The 2021-2024 Financial Forecast is provided in the meeting packet.

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 December 6, 2019, Telephonic REAP Board Meeting.

- D. *Board Committee Reports (Audit and Finance, Operations & Governance)*
Director Morse stated that there was no Audit and Finance Committee meeting to report.

Director Parks reported on the December 9, 2019 Operations Committee meeting.

Director Reeves stated that there was no Governance Committee meeting to report and that glad to see management's attention to reviewing the policies.

- E. *Other Meeting Reports*
None

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

- A. *Appointment of 2020 NRECA Voting Delegate and Alternate* (Board)*
Director Parks discussed the current NRECA Voting Delegate and Alternate.

Director Parks moved and Director Crawford seconded the motion that the Board of Directors appoint Director Susan Reeves as the NRECA Voting Delegate and Director Jim Henderson as the alternate. The motion passed unanimously.

IX. EXECUTIVE SESSION

- A. *IMO Update*
B. *2020-2022 Strategic Plan*
C. *Chugach Comments on Senate Bill No. 123 and House Bill No. 151*
D. *2019 (May 1, 2019 – April 30, 2020) Chief Executive Officer Key Performance Indicators and CEO 360 Review Questions*
E. *Succession Plan for Key Management Positions*
F. *Integration of ML&P Non-Represented Employees into Chugach Pay and Benefits System*

At 4:40 p.m., Director Morse moved and Director Parks 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 7:34 p.m.

X. NEW BUSINESS

- A. *2020-2022 Strategic Plan* (Miller/Thibert)*
No action taken for this agenda item and has been deferred to the next Committee and Board meetings in January 2020.

B. *Chugach Comments on Senate Bill No. 123 and House Bill No. 151* (Hickey)*
Director Morse moved and Director Parks seconded the motion that the Board of Directors authorize the Chief Executive Officer to sign a letter of conditioned support for Senate Bill No. 123 as discussed in the Executive Session. The motion passed unanimously.

C. *Helicopter Services* (Hickey)*
Brian Hickey, Chief Operating Officer discussed the Helicopter Services and 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 execute a contract with Alpha Aviation, LLC for Helicopter Services for the period January 1, 2020 through December 31, 2022, with an estimated cost of \$2,202,192.00 and further, the Chief Executive Officer is authorized, after Board review, to extend the contract for three (3) additional one year periods subject to Chugach's sole discretion and mutual agreement on price. The motion passed unanimously.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 7:52 p.m., Director Henderson moved and Director Reeves seconded the motion to adjourn. The motion passed unanimously.

/ss/
Stuart Parks, Secretary
Date Approved: January 22, 2020