

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

January 22, 2020
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 4:02 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
Stuart Parks, Secretary
Rachel Morse, Treasurer
Jim Henderson, Director
Harry Crawford, Director
Harold Hollis, Director

Guests and Staff in Attendance:

Lee Thibert	Mark Fouts	Crystal Enkvist, Alaska
Brian Hickey	Arthur Miller	Power Association (APA)
Tyler Andrews	Sherri Highers	Bradley Authier, Member
Connie Owens	Marty Freeman	Mike Hayhurst, KPMG
Paul Risse	Josh Resnick	Steve Quinlivan, Stinson,
Sean Skaling	Renee Curran	(via teleconference)
Andrew Laughlin	Katie Millen	Greg Reihl, RGP, IMO
Phil Steyer	Russell Thornton	Consultant
Kathy Harris	Mike Brodie	Michael Duska, RGP, IMO
Pete Smithson	Sarah Wiggers	Consultant

C. Safety Minute

Marty Freeman, Manager, Safety discussed "Avalanche Safety".

Chair Chastain presented the Director Gold Program certificate to Director Crawford.

II. APPROVAL OF THE AGENDA

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

III. PERSONS TO BE HEARD

- A. *Member Comments*
None

Chair Chastain stated that we have guest in an audience and would like to observe tonight's meeting, Mr. Bradley Authier, a Member of the cooperative.

IV. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
 - 1. *Directors Conference, April 4-7, 2020, Kansas City, MO (Deadline for conference and hotel registration is February 4, 2020)*
 - 2. *2020 APA Federal Legislative Conference, June 2-4, 2020, Washington, D.C. (Deadline for conference and hotel registration is April 13, 2020)*
- C. *Minutes*
 - 1. *December 18, 2019, Regular Board of Directors' Meeting (Portades)*
- D. *Director Expenses*

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

Chair Chastain stated that a request came in from Chugach Reliability Group and invited the Board to the January 24, 2020 meeting. Chair Chastain asked the Board if this meeting should be added to the Board Calendar. After discussion, it was decided not to add the January 24, 2020 meeting to the Board Calendar.

Chair Chastain called for a vote. The motion passed unanimously.

V. CEO REPORTS AND CORRESPONDENCE

- A. *2020 State Legislative Update (Steyer/Miller)*
The 2020 State Legislature Update was provided in the meeting packet.
- B. *4th Quarter 2019 Safety Report (Freeman/Andrews)*
The 4th Quarter 2019 Safety Report was provided in the meeting packet.
- C. *4th Quarter 2019 Eklutna Dam (Brodie)*
Mike Brodie, Plant Manager, Peaking and Hydro Plants and Paul Risse, Sr. VP Production and Engineering discussed the 4th Quarter 2019 Eklutna Dam and responded to questions from the Board.
- D. *November 2019 Financial Statements and Variance Report (Harris/Curran)*
Sherri Highers, Chief Financial Officer and Executive VP, Finance and Administration gave an overview of the November 2019 Financial Statements and Variance Report.

E. *Fuel Supply Update (Fouts)*

Mark Fouts, Executive VP, Fuel and Corporate Planning discussed the Fuel Supply Update and 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.

Directors Crawford, Henderson and Lee Thibert, CEO commented on the ARCTEC email sent by Tom Delong. Chair Chastain requested to defer further discussion in the Executive Session.

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

Director Morse reported on the January 16, 2020, REAP Annual Board Meeting and REAP's future emails.

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 January 8, 2020, Operations Committee meeting.

Director Reeves stated that was no Governance Committee meeting to report and couples issues we want to address and get to the Bylaws Committee.

Director Morse reported on the Member Advisory Committee information on the website, applications information and deadlines.

E. *Other Meeting Reports*

None

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

Director Henderson stated that he wants to continue to be the 2020 CFC Voting Delegate. Director Reeves also stated that she wants to continue to be the alternate.

A. *Appointment of 2020 CFC Voting Delegate and Alternate* (Board)*

Director Morse moved and Director Crawford seconded the motion that the Board of Directors appoint Director Henderson as the CFC Voting Delegate and Director Reeves as the alternate. The motion passed unanimously.

IX. EXECUTIVE SESSION

- A. *Pension and Benefits*
- B. *IMO Update*
- C. *ML&P Acquisition Update*
- D. *2020 Strategic Plan*
- E. *Financing of ML&P Acquisition*
- F. *RCA Letter to Legislature*

At 5:06 p.m., Director Crawford moved and Director Henderson 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 8:28 p.m.

X. NEW BUSINESS

- A. *2020 Strategic Plan* (Miller/Thibert)*
Director Parks moved and Director Morse seconded the motion that the Board of Directors approve the 2020 Strategic Plan. The motion passed unanimously.

- B. *Financing of ML&P Acquisition** (Highers)*
Director Morse moved and Director Henderson seconded the motion that the Board of Directors approve the resolution authorizing the Chief Executive Officer or the Chief Financial Officer to negotiate pricing, finalize terms and conditions, and enter into a Purchase Agreement for long-term debt financing associated with Chugach's acquisition of ML&P's assets upon approval by the RCA as discussed in executive session. The motion passed unanimously.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 8:36 p.m., Director Hollis moved and Director Parks seconded the motion to adjourn. The motion passed unanimously.

/ss/
Stuart Parks, Secretary
Date Approved: February 19, 2020