

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 27, 2020
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: DeAnna Scott

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 lead 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

Jim Henderson, Director *(via teleconference)*

Harry Crawford, Director

Harold Hollis, Director *(via teleconference)*

Guests and Staff in Attendance:

Lee Thibert *(via teleconference)*

Tyler Andrews *(via teleconference)*

Mitchell Roth, Chugach Member *(via teleconference)*

Brian Hickey *(via teleconference)*

Luke Sliman *(via teleconference)*

Julie Hasquet *(via teleconference)*

Sherri Highers

Burke Wick *(via teleconference)*

Crystal Enkvist, Alaska

Matthew Clarkson

Mark Fouts *(via teleconference)*

Power Association (APA) *(via teleconference)*

Arthur Miller

Andrew Laughlin *(via teleconference)*

Connie Owens *(via teleconference)*

teleconference

C. Safety Minute

Tyler Andrews, Executive V.P., Employee Services & Communication discussed "Bicycle Safety".

II. APPROVAL OF THE AGENDA

Director Morse moved and Director Crawford 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. *Director Training/Education and Conferences (Board Discussion)*
 - 1. *2020 APA & AIE Annual Meeting, August 26-28, 2020, Homer, AK (Deadline for meeting and hotel registration is June 24, 2020)*
- C. *Minutes*
 - 1. *April 22, 2020, Regular Board of Directors' Meeting (Quezon)*
 - 2. *April 27, 2020, Special Board of Directors' Meeting (Quezon)*
 - 3. *May 12, 2020, Special Board of Directors' Meeting (Quezon)*
- D. *Director Expenses*

Chair Chastain noted that the *2020 APA & AIE Meeting, August 26-28, 2020, Homer, AK* has been canceled.

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

V. CEO REPORTS AND CORRESPONDENCE

- A. *Right of Way Clearing Presentation (Hickey)*
Brian Hickey, Chief Operating Officer and Luke Sliman, V.P. Field Operations presented the Right of Way Clearing Presentation and responded to questions from the Board.
- B. *COVID-19 Update (Andrews)*
Tyler Andrews, Executive V.P., Employee Services & Communication, provided a COVID-19 Update and responded to questions from the Board.
- C. *Annual Meeting Update (Hasquet/Andrews)*
Julie Hasquet, Sr. Manager, Corporate Communication, provided an Annual Meeting Update and responded to questions from the Board.
- D. *AMI Update (Miller)*
Arthur Miller, Executive V.P., Regulatory & External Affairs provided an AMI Update and responded to questions from the Board.
- E. *Board Policy Scheduled Tasks/Reports (Board/Staff)*
Lee Thibert, Chief Executive Officer (CEO) gave a summary of the Board Policy Scheduled Tasks/Reports and stated that if the Board had any questions or would like to discuss, it could be done at a future meeting. Chair Chastain and Director Morse stated they would like to discuss *Board Policy 401 – Fringe Benefits (Reference § II.B.6)* and *Board Policy 104 – Overtime Report (Reference § II.B.7)*.

Director Reeves noted it would be helpful for terms to be defined prior to the general discussion.

VI. DIRECTOR REPORTS

A. Alaska Power Association (APA) Report

Director Hollis introduced Crystal Enkvist, Executive Director, APA to provide an update on APA activities and upcoming events.

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

Director Crawford reported there was no ARCTEC meeting.

C. Renewable Energy Alaska Project (REAP) Report

Director Morse reported on the May 8, 2020, REAP Quarterly Board Meeting.

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

Director Morse reported on the May 12, 2020, Audit and Finance Committee Meeting.

Director Parks reported on the April 27, 2020 and May 6, 2020 Operations Committee meetings.

Director Reeves reported there was no Governance Committee meeting.

E. Other Meeting Reports

Chair Chastain stated that the CEO Evaluation Committee met numerous times and will provide their report during Executive Session.

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

A. FY2020 Tax Services (Highers)

Director Morse moved and Director Parks seconded the motion that the Board of Directors approve the tax services for FY2020. The motion passed unanimously.

B. KPMG Contract

Director Morse moved and Director Parks seconded the motion that the Board of Directors approve a two-year contract extension from KPMG. The motion passed unanimously.

C. Board Policy 207 - Audit and Finance Committee (Highers)

Director Morse moved and Director Crawford seconded the motion that the Board of Directors approve the revision to Board Policy 207 – Audit and Finance Committee, as shown in the attached draft policy. The motion passed unanimously.

D. Capital Credit Retirement (Highers)

Director Morse moved and Director Crawford seconded the motion that the Board of Directors approve the attached resolution authorizing a wholesale capital credit retirement to MEA and Seward. The motion passed unanimously.

E. Muldoon Overhead/Underground Project Authorization (Laughlin/Hickey)

Director Parks moved and Director Morse seconded the motion that the Board of Directors authorize the Chief Executive Officer to proceed with the Muldoon Road 12.5 kV Undergrounding Project for a total cost of \$3,708,831.45 with an estimated completion of October 31, 2020. The motion passed unanimously.

F. Simplified Rate Filing: March 2020 Test Year (Kornmuller/Miller)

Director Morse moved and Director Crawford seconded the motion that the Board of Directors approve the attached Resolution authorizing Chugach to file with the Commission a March 2020 test year SRF requesting approval to leave the demand and energy rates to the Chugach retail class unchanged and to reduce the demand and energy rates to the wholesale class of Seward Electric System by 2.2 percent for rates effective August 1, 2020. The motion passed unanimously.

G. 2019 Capital Credit Allocations

Director Parks moved and Director Morse seconded the motion that the Chugach Electric Association, Inc. Board of Directors approve the attached Resolution authorizing 2019 capital credit allocations in the amounts of \$5,089,454 to Chugach retail members and \$30,173 to wholesale member Seward Electric System. The motion passed unanimously.

IX. EXECUTIVE SESSION

A. IMO Update

B. Finance Update

C. ML&P Acquisition Update

D. KPMG Audit Services for Employee 401K Plan

E. Report from the CEO Evaluation Committee

At 5:12 p.m., Director Morse moved and Director Crawford 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 6:46 p.m.

X. NEW BUSINESS

A. KPMG Audit Services for Employee 401k Plan (Andrews)

Director Morse moved and Director Crawford seconded the motion that the Board of Directors approve the retention of KPMG for employees 401(k) plan audit services for FY2019 as discussed in Executive Session. The motion passed unanimously.

*B. May 1, 2020 – April 30, 2021 CEO Key Performance Indicators** (Committee)*

Director Morse moved and Director Hollis seconded the motion that the Board of Directors approve the May 1, 2020 – April 30, 2021 Chief Executive Officer Key Performance Indicators as discussed in executive session, with the understanding that the Board may approve revisions to these Key Performance Indicators after meeting with the consultant retained to advise the Board on CEO performance matters. The motion passed unanimously.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 7:18 p.m., Director Crawford moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.

/s/

James Henderson, Secretary

Date Approved: June 17, 2020