

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

**June 17, 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 4:02 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

Rachel Morse, Vice Chair

Jim Henderson, Secretary

Harold Hollis, Treasurer *(via teleconference)*

Stuart Parks, Director *(via teleconference)*

Sam Cason, Director

Mark Wiggin, Director

*Guests and Staff in Attendance:*

Lee Thibert

Brian Hickey

Sherri Highers

Matthew Clarkson

Arthur Miller

Connie Owens *(via teleconference)*

Laurel Foster

Tyler Andrews *(via teleconference)*

Burke Wick *(via teleconference)*

Mark Fouts

Andrew Laughlin *(via teleconference)*

Mitchell Roth, Chugach Member *(via teleconference)*

Julie Hasquet

Crystal Enkvist, Alaska

Power Association (APA) *(via teleconference)*

*C. Safety Minute*

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

**II. ADMINISTER OATH OF OFFICE TO NEWLEY ELECTED BOARD MEMBER, SAM CASON**

Matthew Clarkson, Executive V.P., General Counsel, administered the Oath of Office to the elected Board member Mr. Sam Cason.

### **III. APPROVAL OF AGENDA**

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

### **IV. PERSONS TO BE HEARD**

No member comments

### **V. CONSENT AGENDA**

- A. *Board Calendar*
- B. *Director Training/Education and Conferences (Board Discussion)*
- C. *Minutes*
  - 1. *May 27, 2020, Regular Board of Directors' Meeting (Scott)*
  - 2. *May 29, 2020, Special Board of Directors' Meeting (Quezon)*
  - 3. *June 14, 2020, Special Board of Directors' Meeting (Quezon)*
- D. *Director Expenses*

Director Morse recommended the email from The Alaska Center – Educational Event regarding the Eklutna River Restoration to be moved to Executive Session.

Chair Chastain noted that the Board needed to discuss a date for Strategic Planning which will be discussed during Agenda Item IX.C. New Business – Adoption of Calendar of Regular Meetings of the Board of Directors.

Director Morse moved and Director Henderson seconded to motion to approve the consent agenda, as amended. The motion passed unanimously.

### **VI. CEO REPORTS AND CORRESPONDENCE**

- A. *April 2020 Financial Statements and Variance Report (Harris/Curran)*  
Lee Thibert, Chief Executive Officer (CEO) and Sherri Highers, Chief Financial Officer (CFO) & V.P., Finance and Administration discussed the April 2020 Financial Statements and Variance Report and responded to questions from the Board.
- B. *2<sup>nd</sup> Quarter 2020 Railbelt Bill Comparison (Skaling/Miller)*  
Lee Thibert, CEO and Arthur Miller, Executive V.P., Regulatory and External Affairs, discussed the 2<sup>nd</sup> Quarter 2020 Railbelt Bill Comparison and responded to questions from the Board.
- C. *Board Policy Scheduled Tasks/Reports (Board/Staff)*  
Lee Thibert, CEO discussed the Board Policy Scheduled Tasks/Reports and responded to questions from the Board. Chair Chastain noted Board Policies 101, 103 and 304 have had changes made and will need to be addressed under IX.I. New Business - Board Policies 101, 103 and 304.

### **VII. DIRECTOR REPORTS**

- A. *Alaska Power Association (APA) Report*  
Director Hollis stated that Crystal Enkvist, Executive Director, APA is on the phone

and will be providing an update on APA activities and upcoming events.

- B. Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*  
Lee Thibert, CEO reported that there was no ARCTEC meeting, however, noted that email correspondence was received from the ARCTEC Chair for current members in preparation for an annual meeting.

- C. Renewable Energy Alaska Project (REAP) Report*  
Director Morse reported on the June 10, 2020, REAP Executive Committee Meeting.

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

Director Parks reported on the June 10, 2020, Operations Committee meeting.

Director Morse reported there was no Governance Committee meeting.

- E. Other Meeting Reports*  
Director Henderson reported on the Alaska Center meeting.

## **VIII. UNFINISHED BUSINESS**

None

## **IX. NEW BUSINESS**

- A. Discussion – Board Election Procedures (Clarkson)*  
Matthew Clarkson, Executive V.P., General Counsel discussed the Board Election Procedures and responded to questions from the Board.

- B. Election of Officers (Board)*  
Chair Chastain opened the floor to nominations for Chair of the Board.

Director Wiggin nominated Director Chastain for the Chair of the Board. Director Morse seconded the nomination. No other nominations were made. Chair Chastain closed the nomination and called for a vote. The nomination passed unanimously.

*The result of the vote: Chair Chastain was elected as Chair of the Board.*

Chair Chastain opened the floor to nominations for Vice Chair of the Board.

Director Hollis nominated Director Morse for Vice Chair of the Board. Director Wiggin seconded the nomination. Director Cason noted nominations do not require to be seconded. No other nominations were made. Chair Chastain closed the nomination and called for a vote. The nomination passes unanimously.

*The result of the vote: Director Morse was elected Vice Chair of the Board.*

Chair Chastain opened the floor to nominations for Secretary of the Board.

Director Hollis nominated Director Henderson for Secretary of the Board. No other nominations were made. Chair Chastain closed the nomination and called for a vote. The nomination passed unanimously.

*The result of the vote: Director Henderson was elected Secretary of the Board.*

Chair Chastain opened the floor to nominations for Treasurer of the Board.

Director Morse nominated Director Hollis for Treasurer of the Board. No other nominations were made. Chair Chastain closed the nomination and called for a vote. The nomination passed unanimously.

*The result of the vote: Director Hollis was elected Treasurer of the Board.*

- C. *Adoption of Calendar of Regular Meetings of the Board of Directors (Owens/Thibert)*  
Director Wiggin moved and Director Henderson seconded the motion to approve the attached resolution which adopts a schedule for regular meetings of the Board as reflected in the Board Calendar.

Chair Chastain discussed the Board Strategic Planning and opened for discussion on Board availability. The Board agreed to amend the Board Calendar to add September 22-23, 2020 as the dates for the Board Strategic Planning.

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

- D. *Appointment of REAP Member and Alternate Representatives (Housekeeping)*  
Director Cason moved and Director Parks seconded the motion that the Board of Directors appoint Director Morse as the REAP Member Representative and Director Wiggin as the Alternate Representative. The motion passed unanimously.

- E. *Appointment of APA Member and Alternate Representatives (Housekeeping)*  
Director Morse moved and Director Wiggin seconded the motion that the Board of Directors appoint Director Hollis as the APA Voting Delegate and Director Henderson as the Alternate Representative. The motion passed unanimously.

- F. *Appointment of ARCTEC Member and Alternate Representative (Housekeeping)*  
Director Morse moved and Director Wiggin seconded the motion that the Board of Directors' adopt the Resolution appointing Director Henderson as Chugach's Member Representative, Lee Thibert as Management Representative and Director Cason as Alternate Representative to the ARCTEC Board of Directors. The motion passed unanimously.

*At 5:13 p.m., Board took a recess and reconvened the meeting at 5:26 p.m.*

*G. Amend Resolution No. 05 01 20 Regarding Capital Credit Retirement and Payment to HEA (Highers)*

Sherri Highers, CFO & V.P., Finance and Administration, discussed the Amend Resolution No. 05 01 20 Regarding Capital Credit Requirement and Payment to HEA and responded to questions from the Board.

Director Morse moved and Director Wiggin seconded the motion that the Board of Directors approve to amend Resolution 05 01 20 by changing the amount of capital credits being paid to HEA from \$2,000,000 to \$1,931,294.94, as shown in the attached amended Resolution. The motion passed unanimously.

*Director Henderson was not present at the time of vote.*

*H. Muldoon Road Undergrounding Project (Laughlin/Hickey)*

Brian Hickey, Chief Operating Office and Andrew Laughlin, Vice President Engineering, discussed the Muldoon Road Undergrounding Project and responded to questions from the Board.

*Director Henderson rejoined the meeting at 5:29 p.m.*

Director Wiggin moved and Director Morse seconded the motion that the Board of Directors authorize the Chief Executive Officer to execute a contract with Northern Power Line Constructors for the Muldoon Road 12.5 kV Undergrounding Project in an amount not to exceed \$1,783,259.67. The motion passed unanimously.

*I. Board Policies 101, 103 and 304 (Housekeeping)*

Chair Chastain stated Director Morse requested Board Policies 101, 103 and 304 be forwarded to the Governance Committee for consideration. No Board action was taken on this agenda item.

**X. EXECUTIVE SESSION**

- A. Alaska Energy Authority Acquisition of Homer Electric Association Quartz Creek Transmission Line*
- B. Chugach/MEA Wholesale Power Pool Agreement*
- C. IMO Update*
- D. Finance Update*
- E. ML&P Acquisition Update*

At 5:34 p.m., Director Morse moved and Director Cason 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) to discuss legal matters with its attorneys, 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 8:23 p.m.*

*Chair Chastain stated that Director Hollis, Treasurer participating via teleconference needed to appoint a Board member to sign the Board Expense Reports on his behalf as Treasurer. Director Morse was appointed. No objections were made.*

## **XI. NEW BUSINESS**

*A. Alaska Energy Authority Acquisition of Homer Electric Association Quarts Creek Transmission Line (Hickey/Thibert)*

Director Morse moved and Director Hollis seconded the motion that the Board of Directors authorize the Chief Executive Officer to execute the Alaska Energy Authority's letter of intent in potential acquisition of Homer Electrics' Quartz Creek Transmission Line essentially as discussed in Executive Session. The motion passed unanimously.

*B. Acceptance of the Conditions Imposed by the Regulatory Commission of Alaska in Order 39 on Chugach's Acquisition of Substantially All of ML&P's Assets (Thibert)*

Director Cason moved and Director Henderson seconded the motion that the Board of Directors accept the conditions and modifications to the Acquisition imposed by the Commission in Order 39 as not being materially adverse to Chugach and authorize the CEO to (1) proceed with integration efforts with costs not to exceed \$24.6M of the previously approved IMO budget (\$19.6M plus \$5M additional) until further authorization from the board. (2) initiate steps necessary to secure financing for the Acquisition; (3) negotiate and finalize, subject to Board approval, an acceptable power pool agreement with MEA consistent with the requirements of Order 39, and (4) negotiate and finalize, subject to Board approval, any amendments to the Acquisition agreements required by Order 39. The motion passed unanimously.

## **XII. DIRECTOR COMMENTS**

Director comments were made at this time.

## **XIII. ADJOURNMENT**

At 8:34 p.m., Director Wiggin moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.

/s/

James Henderson, Secretary

Date Approved: July 22, 2020