

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

**July 22, 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 4:00 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 (*via teleconference*)

Harold Hollis, Treasurer

Stuart Parks, Director

Sam Cason, Director

Mark Wiggin, Director

*Guests and Staff Attendance*

*Present:*

Brian Hickey

Matthew Clarkson

Mark Norman

*Via Teleconference:*

Lee Thibert

Tyler Andrews

Mitchell Roth, Chugach

Sherrri Highers

Burke Wick

Member

Arthur Miller

Mark Fouts

Julie Hasquet

Connie Owens

Andrew Laughlin

Crystal Enkvist, Alaska

Laurel Foster

Nick Brodie

Power Association (APA)

Sean Skaling

Teresa Kurka

*C. Safety Minute*

Tyler Andrews, Executive V.P., Employee Services & Communications discussed "Cold Water Safety".

## II. APPROVAL OF AGENDA

*Chair Chastain noted Director Henderson, Secretary, was in attendance telephonically and appointed Director Cason as acting Board Secretary. No objections were made.*

Director Morse moved to approve the agenda and requested to add item G. RRC Update to Agenda Item IX. Executive Session. Director Parks seconded the motion. Chair Chastain asked if there was additional discussion. Director Henderson requested to add *Disclosure* to the agenda. Director Morse amended the motion to include the topic of *Disclosure* under Agenda Item VIII. New Business, Item C. Director Parks accepted the amendment. The motion passed unanimously, as amended.

## III. PERSONS TO BE HEARD

No member comments

## IV. CONSENT AGENDA

- A. *Board Calendar*
- B. *Director Training/Education and Conferences (Board Discussion)*
- C. *Minutes*
  - 1. *June 17, 2020, Regular Board of Directors' Meeting (Scott)*
  - 2. *July 8, 2020, Special Board of Directors' Meeting (Quezon)*
- D. *Director Expenses*

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

## V. CEO REPORTS AND CORRESPONDENCE

- A. *2<sup>nd</sup> Quarter 2020 Safety Report (Freeman/Andrews)*  
Brian Hickey, Chief Operating Officer (COO) and Tyler Andrews, Executive V.P. Employee Services and Communications discussed the 2<sup>nd</sup> Quarter 2020 Safety Report and responded to questions from the Board.
- B. *2<sup>nd</sup> Quarter 2020 Communications Report (Hasquet/Andrews)*  
Brian Hickey, COO and Julie Hasquet, Sr. Manager, Corporate Communications, discussed the 2<sup>nd</sup> Quarter 2020 Communications Report and responded to questions from the Board.
- C. *May 2020 Financial Statements and Variance Report (Curran/Highers)*  
Brian Hickey, COO and Sherri Highers, Chief Financial Officer (CFO) & V.P., Finance and Administration discussed the May 2020 Financial Statements and Variance Report and responded to questions from the Board.
- D. *2020 Annual Meeting and Election Report (Kurka/Miller)*  
Brian Hickey, COO, Arthur Miller, Executive V.P., Regulatory and External Affairs and Teresa Kurka, Director, Member Services discussed the 2020 Annual Meeting and Election Report and responded to questions from the Board.

- E. *Write-off of Accounts Receivable – Electric/Other (Kurka/Miller)*  
Brian Hickey, COO, Arthur Miller, Executive V.P., Regulatory and External Affairs and Teresa Kurka, Director, Member Services discussed the Write-off of Accounts Receivable – Electric/Other and responded to questions from the Board.
- F. *Board Policy Scheduled Tasks/Reports (Board/Staff)*  
Brian Hickey, COO discussed the Board Policy Scheduled Tasks/Reports and responded to questions from the Board.

## **VI. DIRECTOR REPORTS**

- A. *Alaska Power Association (APA) Report*  
Director Hollis and Crystal Enkvist, Executive Director, APA provided an update on APA activities and upcoming events.
- B. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*  
Director Henderson and Lee Thibert, CEO reported on the July 22, 2020, ARCTEC meeting.
- C. *Renewable Energy Alaska Project (REAP) Report*  
Director Morse reported REAP has not met, but meetings are scheduled. She noted Finance Committee will meet on July 27<sup>th</sup>, the Executive Committee and Policy meeting is scheduled for July 28<sup>th</sup> and the Quarterly Board Meeting is scheduled for July 30, 2020.
- D. *Board Committee Reports (Audit and Finance, Operations & Governance)*  
Director Hollis reported that the Audit and Finance Committee has not met but a meeting is scheduled for August 12, 2020  
  
Director Parks reported on the July 8, 2020, Operations Committee meeting.  
  
Director Morse reported there was no Governance Committee meeting, however, there is a meeting scheduled on August 2020.
- E. *Other Meeting Reports*  
None

*At 4:57 p.m., the Board recessed and reconvened the meeting at 5:05 p.m.*

## **VII. UNFINISHED BUSINESS**

None

## **VIII. NEW BUSINESS**

- A. *Update Bank Signature Cards (Wolfe/Highers)*  
Sherri Highers, CFO, Executive V.P., Finance & Administration discussed the Update Bank Signature Cards and responded to questions from the Board.

Director Cason moved and Director Morse seconded the motion that the Board of Directors approve the attached resolution to update the approved check signers

based on the election of officers at its June 17, 2020, Regular Board of Directors' Meeting. The motion passed unanimously.

*B. Old Seward Highway Underground Project (Laughlin/Hickey)*

Brian Hickey, COO and Andrew Laughlin, Vice President, Engineering discussed the Old Seward Highway Underground Project and responded to questions from the Board.

Director Parks moved and Director Wiggin seconded the motion that the Board of Directors authorize the Chief Executive Officer to proceed with the Old Seward Highway, O'Malley Road to Huffman Road 34.5kV and 12.5kV Overhead to Underground Conversion project at an estimated total cost of \$5,121,971.47. The motion passed unanimously.

*C. Disclosure*

Director Henderson disclosed to the Board that his son accepted a position with the State of Alaska Legislative Audit Division. The importance of this disclosure is the Legislative Audit oversees audits of the Regulatory Commission of Alaska. Director Henderson noted his son also disclosed a family member is on the Chugach Electric Board. The Legislative Audit Division stated they will take the conflict into consideration when assigning assignments.

**IX. EXECUTIVE SESSION**

- A. 2020 Sales Forecast Update*
- B. Consulting Agreement with Susan Reeves*
- C. Strategic Planning – Discussion of Topics*
- D. IMO Update*
- E. Financing Update*
- F. ML&P Acquisition Update*

At 5:13 p.m., Director Morse moved and Director Hollis 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 meeting reconvened in open session at 7:55 p.m.*

**X. NEW BUSINESS**

*A. Integration Program Funding Authorization (Fouts)*

Director Cason moved and Director Morse seconded the motion that the Board of Directors approve the attached Resolution authorizing the Chief Executive Officer to spend up to \$2.6 million on continued integration efforts for the month of August 2020, and pre-approval authorization from the Board of Directors shall continue to be necessary for additional integration funds on a month-to-month basis. The motion passed unanimously.

*B. Consulting Agreement with Susan Reeves (Board)*

Director Wiggin moved and Director Hollis seconded the motion that the Board of Directors authorize the Board Chair to approve and execute the attached Professional Services Contract with Susan E. Reeves. The Contract term will be through December 31, 2020 and is not to exceed \$9,500. Directors Chastain, Morse, Hollis, Parks, Wiggin, and Cason voted yes; Director Henderson voted no. The motion passed, with a 6 to 1 vote.

**XII. DIRECTOR COMMENTS**

Director comments were made at this time.

**XIII. ADJOURNMENT**

At 8:06 p.m., Director Wiggin moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.

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/s/

James Henderson, Secretary

Date Approved: August 17, 2020