

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

**September 23, 2020**  
**Wednesday**  
**11:30 a.m.**

**REGULAR BOARD OF DIRECTORS' MEETING**

Recording Secretary: Arden Quezon

**I. CALL TO ORDER**

Chair Chastain called the Regular Board of Directors' Meeting to order at 12:02 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  
Stuart Parks, Director  
Sam Cason, Director  
Mark Wiggin, Director

*Guests and Staff Attendance*

*Present:*

Lee Thibert	Mark Fouts	Tyler Andrews
Brian Hickey	Arthur Miller	Renee Curran
Matthew Clarkson	Sherri Highers	Sean Skaling

*Via Teleconference:*

Connie Owens	Kathy Harris	Jean Kornmuller
Julie Hasquet	Jody Wolfe	Loreen Anderson, Ocho
Laurel Foster	Crystal Enkvist, Alaska	Coaching
Andrew Laughlin	Power Association	

*C. Safety Minute*

Tyler Andrews, Executive V.P., Employee Services & Communications discussed "Autumn Health and Safety Tips".

## II. APPROVAL OF AGENDA

Director Wiggin moved and Director Morse seconded the motion to approve the agenda.

Director Hollis requested to add an excused absence for the October 14, 2020, Operations Committee meeting under item IV. Consent Agenda. Director Chastain requested to add a discussion on employee COVID-19 policies and procedures under V.C. COVID-19 Update, Delinquent Accounts and ERO email under item IX. Executive Session.

Director Wiggin and Director Morse accepted the amendment to the original motion. The motion passed unanimously, as amended.

## III. PERSONS TO BE HEARD

No member comments.

Directors Chastain and Morse expressed the Boards' appreciation and thanked the staff's hard work, dedication, and success during the strategic session and through the ML&P Acquisition.

## IV. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
  - 1. *Virtual – NRECA Regional Meeting – October 12-16, 2020*
  - 2. *Virtual – APA Annual Meeting – November 3-5, 2020*
- C. *Minutes*
  - 1. *August 17, 2020, Regular Board of Directors' Meeting (Quezon)*
  - 2. *August 28, 2020, Special Board of Directors' Meeting (Scott)*
- D. *Director Expenses*

Director Morse moved and Director Wiggin seconded the motion to approve the consent agenda as amended to include Director Hollis' excused absence for the October 14, 2020, Operations Committee meeting. The motion passed unanimously, as amended.

## V. CEO REPORTS AND CORRESPONDENCE

- A. *July 2020 Financial Statement and Variance Report (Highers)*

Sherri Highers, Chief Financial Officer (CFO), Executive Vice President of Finance and Administration discussed the July 2020 Financial Statement and Variance Report.
- B. *3<sup>rd</sup> Quarter 2020 Railbelt Bill Comparison (Skaling/Miller)*

Sean Skaling, Manager, Business and Sustainability Program Development, discussed the 3<sup>rd</sup> Quarter 2020 Railbelt Bill Comparison and responded to questions from the Board.
- C. *COVID-19 Update (Andrews)*
  - 1. *Update to Corporate Incident Management Plan*

Tyler Andrews, Executive Vice President Employee Services and Communication discussed the COVID-19 and Corporate Incident

Management Plan update and responded to questions from the Board.

Lee Thibert, Chief Executive Officer (CEO) informed the Board that the conference table in the boardroom will also be extended for distancing purposes due to the Covid-19.

*D. Update on RRC (Hickey)*

Brian Hickey, Chief Operating Officer (COO) gave an RRC Update and responded to questions from the Board. Lee Thibert, CEO requested that additional discussion be added to Executive Session. No objections were made.

*E. Board Policy Scheduled Tasks/Reports (Board/Staff)*

The Board Policy Scheduled Tasks/Reports was provided in the meeting packet.

## **VI. DIRECTOR REPORTS**

*A. Alaska Power Association (APA) Report*

Director Hollis and Crystal Enkvist, Executive Director, APA provided an update on APA activities, upcoming events and responded to questions from the Board.

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

Director Henderson reported on the August 27, 2020, ARCTEC meeting and requested that further discussion be added to Executive Session. Director Chastain stated that ARCTEC discussion will be added to VIII. Executive Session as item A. No objections were made.

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

Director Morse reported on the September 9, 2020, REAP Executive Committee meeting. She noted Executive Committee will meet again on September 29<sup>th</sup>, and Public Policy Committee meeting is scheduled for September 30<sup>th</sup> from 2:30 p.m. to 3:30 p.m.

Director Morse also indicated that she and Director Wiggin (REAP Alternate Representative) would like to schedule a conversation with Lee Thibert, CEO and Brian Hickey, COO prior to the September 30<sup>th</sup> Public Policy Committee meeting.

*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 November 10, 2020

Director Parks reported that the Operations Committee has not met but a meeting is scheduled for October 14, 2020.

Director Morse reported on the August 18, 2020, Governance Committee meeting and stated that there are policies being put forward under VII.A. Unfinished Business recommended to be adopted by the Board. She also reported on discussion regarding the Membership Advisory Committee (MAC).

Director Morse indicated that she will be looking into calendaring another Governance Committee meeting between now and the next Board meeting or sometime this year.

Lee Thibert, CEO, notified the Board that there is a scheduled meeting with the Native Village of Eklutna on September 30, 2020, at 10:00 a.m., which will be added to the Board calendar since Director Morse, Board Vice Chair has indicated that she will try to attend the meeting. No objections were made.

Director Chastain opened up a discussion regarding changing the date of the October 14, 2020, Operations Committee meeting since it falls on the same week as the NRECA Regional meeting. After discussion, the Board agreed to change the Operations Committee meeting to October 7, 2020.

Director Hollis requested that his excused absence be rescinded since he is available to call in for the October 7, 2020, Operations Committee meeting.

No objections were made.

*E. Other Meeting Reports*  
None

## **VII. UNFINISHED BUSINESS**

*A. Approval of Recommended Changes to Board Policies (Board)*

*1. Board Policy 101 – Statement of Objectives*

Director Morse moved and Director Hollis seconded the motion that the Board of Directors approve the revisions to Board Policy 101, Statement of Objectives, as indicated in the attached. The motion passed unanimously.

*2. Board Policy 103 – Duties and Responsibilities of the Board of Directors*

Director Morse moved and Director Parks seconded the motion that the Board of Directors approve the revisions to Board Policy 103, Duties and Responsibilities of the Board of Directors, as indicated in the attached. The motion passed unanimously.

*3. Board Policy 304 – Capital Credit Policy*

Director Morse moved and Director Wiggin seconded the motion that the Board of Directors approve the revisions to Board Policy 304, Capital Credit Policy, as indicated in the attached. The motion passed unanimously.

The Board stated that agenda items will be re-ordered as follows:

- Executive Session was moved from item IX to item VIII
- New Business, item VIII and X were moved as item IX
- New Executive Session was added as item X

*No objections were made, and the Board called for a recess.*

*The meeting resumed at 1:28 p.m.*

## **VIII. EXECUTIVE SESSION**

- A. Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC)*
- B. Beluga River Unit – Asset Retirement Obligation*
- C. Alaska Energy Authority Asset Acquisition*
- D. IMO Update*
- E. Financing Update*
- F. Delinquent Accounts*
- G. ML&P Acquisition Update*

At 1:29 p.m., Director Wiggin moved and Director Morse seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), (3) and (4) 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; 3) discuss with its attorneys legal matters, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative; and (4) personnel matters. The motion passed unanimously.

*The meeting reconvened in open session at 3:39 p.m.*

## **IX. NEW BUSINESS**

- A. Old Seward Highway Overhead to Underground Contract Award (Laughlin/Hickey)*  
Brian Hickey, COO, discussed the Old Seward Highway Overhead to Underground Contract Award and responded to questions from the Board.

Director Parks moved and Director Hollis seconded the motion Move that the Board of Directors authorize the Chief Executive Officer to execute a contract with Sturgeon Electric Company for the Old Seward Highway 34.5kV and 12.5kV Undergrounding Project in an amount not to exceed \$2,671,943.48. The motion passed unanimously.

- B. Suspension of Participation in Simplified Rate Filing (Miller)*  
Arthur Miller, Executive Vice President, Regulatory and External Affairs discussed the suspension of participation in simplified rate filing.

Director Cason moved and Director Hollis seconded the motion that the Board of Directors approve the attached Resolution authorizing Chugach to submit a request to suspend participation in the Simplified Rate Filing process with the Regulatory Commission of Alaska. The motion passed unanimously.

- C. Beluga River Unit – Asset Retirement Obligation (Highers)*  
Director Hollis moved and Director Morse seconded the motion that the Board of Directors approve the attached resolution retaining Alaska Permanent Capital Management as investment manager and Wells Fargo as custodian and allow ownership of the existing BRU ARO fund to transfer in kind to Chugach upon

closing of the acquisition of ML&P, allow Chugach to invest the rate reduction funds with Wells Fargo, and consent to the assignment of the Wells Fargo agreement to Principal when the acquisition becomes effective. The motion passed unanimously.

*D. Alaska Energy Authority Asset Acquisition (Clarkson)*

Director Wiggin moved and Director Henderson seconded the motion that the Board of Directors approve the attached resolution approving the preliminary terms and conditions for financing the Proposed Transaction.

Director Chastain asked if there was any additional discussion. Lee Thibert, CEO, then discussed the Alaska Energy Authority Asset Acquisition.

The motion passed unanimously.

*E. Integration Program Funding Authorization (Fouts)*

Director Cason moved and Director Wiggin seconded the motion that the Board of Directors authorize an increase of the Integration Program funding of \$3.1 million to continue the program for the month of October 2020, for a total Integration Program funding authorization of \$32.7 million. The motion passed unanimously.

**X. EXECUTIVE SESSION**

- A. Succession Planning*
- B. Wrap-up*

At 3:58 p.m., Director Morse moved and Director Hollis seconded the motion that pursuant to Alaska Statute 10.25.175 (c)(1), (3) and (4) 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; 3) discuss with its attorneys legal matters, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative; and (4) personnel matters. The motion passed unanimously

*The meeting reconvened in open session at 5:45 p.m.*

**XI. DIRECTOR COMMENTS**

Director comments were made at this time.

**XII. ADJOURNMENT**

At 5:54 p.m., Director Cason moved and Director Wiggin seconded the motion to adjourn. The motion passed unanimously.

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/s/  
James Henderson, Secretary  
Date Approved: October 28, 2020