

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

January 26, 2017
Thursday
3:00 P.M.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Arden Quezon-Vicente

I. CALL TO ORDER

Chair Reiser called the Regular Meeting of the Board of Directors to order at 3:03 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

A. *Pledge of Allegiance*
Chair Reiser led the Board in the Pledge of Allegiance.

B. *Roll Call*
Board Members Present:
Janet Reiser, Chair
Susan Reeves, Vice Chair
Sisi Cooper, Treasurer
Bettina Chastain, Secretary
Jim Henderson, Director
Harry Crawford, Director
Stuart Parks, Director (*newly elected*)

Guests and Staff in Attendance:

Lee Thibert	Connie Owens	Todd McCarty
Paul Risse	Arthur Miller	Julie Hasquet
Brian Hickey	Mark Fouts	Marty Freeman
Sherri Highers	Jon Sinclair	Taylor Crocker
Tyler Andrews	Teresa Kurka	Kate Ayers
Bill Bernier	Jody Wolfe	Roger Shaw,
Mark Johnson	Renee Curran	Board of Directors Applicant
Kathy Harris	Shawn Wendling	

C. *Safety Minute*
Taylor Crocker, Safety Specialist discussed “*Cold Weather Safety*” and responded to questions from the Board.

II. EXECUTIVE SESSION

A. *Discussion - Selection of a New Board Member*

At 3:08 p.m., Director Reeves moved and Director Chastain seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (2) the Board of Directors go into executive session to discuss personnel matters regarding the selection of a new Board Member. The motion passed unanimously.

The meeting reconvened in open session at 3:38 p.m.

III. NEW BUSINESS

*A. Appointment of a New Board Member**

Director Chastain moved and Director Reeves seconded the motion that the Board of Directors appoint Stuart Parks to fill the vacancy on the Chugach Board pursuant to Board Policy 603 and Article IV, Section 8 of Chugach's bylaws.

Mark Johnson, General Counsel, reviewed the Board Election Procedures and responded to questions from the Board.

Chair Reiser opened up the floor to nominations for a new Board Member.

Director Chastain nominated Stuart Parks and Director Reeves seconded the nomination.

Director Henderson nominated Roger Shaw and Director Crawford seconded the nomination.

Chair Reiser called for a vote:

Director Henderson – No

Director Cooper – Yes

Director Chastain – Yes

Director Reeves – Yes

Director Crawford – No

Chair Reiser – Yes

The motion passed.

The result of the vote: Stuart Parks was appointed as a new Board member.

Chair Reiser stated that Director Parks will be sworn upon his arrival.

IV. APPROVAL OF THE AGENDA

Chair Reiser moved the ARCTEC discussion to Executive Session XI. No objections were made.

Director Reeves moved and Director Chastain seconded the motion to approve the agenda. The motion passed unanimously as amended.

V. PERSONS TO BE HEARD

- A. *Wholesale Customer and Member Comments*
None

VI. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
 - i. *2017 NRECA Legislative Conference, April 23-26, 2017, Washington DC (Deadline for conference and hotel registration is March 20, 2017)*
 - ii. *Gettysburg Leadership Experience for Co-Op Leaders, May 9-11, 2017, Gettysburg, PA*
- C. *Minutes*
 - i. *December 14, 2016, Regular Board of Directors' Meeting (Portades)*
 - ii. *December 16, 2016, Special Board of Directors' Meeting (Quezon-Vicente)*
 - iii. *December 19, 2016, Special Board of Directors' Meeting (Portades)*
 - iv. *December 29, 2016, Special Board of Directors' Meeting (Portades)*
- D. *Director Expenses*

Director Reeves moved and Director Chastain seconded the motion to approve the consent agenda as written. The motion passed unanimously.

VII. CEO REPORTS AND CORRESPONDENCE

- A. *4th Quarter 2016 Safety Report (Freeman/Andrews)*
Lee Thibert, Chief Executive Officer (CEO), discussed the 4th Quarter 2016 Safety Report and responded to questions from the Board.
- B. *Member Attitude Survey (Hasquet/Steyer)*
Julie Hasquet, Manager, Corporate Communications and Kate Ayers, Energy Efficiency and Conservation Specialist discussed the Member Attitude Survey and responded to questions from the Board.
- C. *November 2016 Financial Statements and Variance Report (Harris/Curran)*
The November 2016 Financial Statements and Variance Report were provided in the meeting packet.
- D. *Alaska Energy Smart (Hasquet)*
Julie Hasquet, Manager, Corporate Communications, discussed the Alaska Energy Smart and responded to questions from the Board.

VIII. DIRECTOR REPORTS

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

Moved to XI. Executive Session.

B. *Board Committee Reports (Audit and Finance, Operations & Governance)*
None

C. *Other Meeting Reports*

Director Cooper reported on the January 11 and January 15, 2017 REAP meetings.

Director Henderson reported on the January 24, 2017 Election Committee meeting. Also discussed the NRECA Nashville School and KPMG Cyber Security webinar and responded to questions.

IX. UNFINISHED BUSINESS

X. NEW BUSINESS

B. *Green Pricing Program (Ayers/Horras)*

Kate Ayers, Energy Efficiency and Conservation Specialist and Lee Thibert, CEO, discussed the Green Pricing Program and responded to questions from the Board.

The Board directed Lee Thibert, CEO and staff to proceed researching and developing the Green Pricing Program.

Director Parks arrived but time was not noted.

Mark Johnson, Legal Counsel, administered the Oath of Office and sworn in Director Stuart Parks as the new elected Board member.

C. *Project Authorization for DeBarr Substation Rebuild* (Hickey/Sinclair)*

Jon Sinclair, Sr. Manager, Transmission Substation Engineering discussed the Project Authorization for DeBarr Substation Rebuild and responded to questions from the Board.

Director Reeves moved and Director Crawford seconded the motion that the Board of Directors authorize the Chief Executive Officer to approve project expenditures for the DeBarr Substation Rebuild at an estimated total cost of \$6,000,000 with an estimated completion date of December 2018. The motion passed unanimously.

D. *Procurement for Substation Power Transformers* (Hickey/Sinclair)*

Jon Sinclair, Sr. Manager, Transmission Substation Engineering discussed the Procurement for Substation Power Transformers and responded to questions from the Board.

Director Chastain moved and Director Cooper seconded the motion that the Board of Directors' approve the resolution authorizing the Chief Executive Officer to approve a contract with OTC Services, Inc., for four (4) substation power transformers at an amount not to exceed \$2,135,397. The motion passed unanimously.

E. *Contract Award 115kV Rebuild of Silvertip to Hope Substation* (Hickey/Sinclair)*

Jon Sinclair, Sr. Manager, Transmission Substation Engineering discussed the Contract Award 115kV Rebuild of Silvertip to Hope Substation and responded to questions from the Board.

Director Cooper moved and Director Henderson seconded the motion that the Board of Directors approve the resolution authorizing the Chief Executive Officer to approve a contract with Northern Powerline Constructors, Inc., for the rebuild of four miles of 115 kV transmission line between Silvertip Creek and Hope Substation at the amount not to exceed \$2,165,437.23. The motion passed unanimously.

XI. EXECUTIVE SESSION

B. *Strategic Planning*

- i. *Fire Island Wind Phase 2 Update*
- ii. *Sustainability/Triple Bottom Line*
- iii. *Power Pool with ML&P and MEA*
- iv. *Fuel Supply, Storage and Transportation*
- v. *Financial Matters*
- vi. *Human Resources Strategic Plan Update*
- vii. *Anchorage Integrated Resource Plan*
- viii. *HEA Settlement*
- ix. *New Issues/Ideas*

C. *Strategic Planning Committee Updates*

- i. *Business Planning and Economic Development*
- ii. *Communication/Engagement*
- iii. *Renewable/Conservation Initiative*

At 4:55 p.m., Director Reeves moved and Director Crawford seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (1) the Board of Directors go into executive session to discuss and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative. The motion passed unanimously.

The meeting reconvened in open session at 7:56 p.m.

XII. NEW BUSINESS

F. *Financial Matters* (Highers)*

Director Reeves moved and Director Cooper seconded the motion that the Board of Directors approve the Financial Matters essentially as discussed in executive session. The motion passed unanimously.

G. *Contract Approvals* (Fouts)*

Director Cooper moved and Director Henderson seconded the motion that the Board of Directors authorize the Chief Executive Officer to negotiate and finalize the terms and conditions of a Gas Sales and Purchase Agreement,

Consent to Collateral Assignment and Gas Transaction Confirmations for 2017 essentially the same as discussed in Executive Session. The motion passed unanimously.

- H. *Unified System Operator (USO) Business Plan Development** (Hickey)*
Director Chastain moved and Director Cooper seconded the motion that the Board of Directors approve the documents as discussed in executive session.

Chair Reiser called for a vote:

Director Chastain – Yes
Director Cooper – Yes
Director Henderson – Yes
Director Parks – Abstained
Director Crawford – No
Director Reeves – No
Chair Reiser – Yes

The motion passed.

The result of the vote: The motion passed with 4-2 vote.

XIII. DIRECTOR COMMENTS

Director comments were made at this time.

XIV. ADJOURNMENT

At 8:07 p.m., Director Crawford moved and Director Cooper seconded the motion to adjourn. The motion passed unanimously.

/ss/

Bettina Chastain, Secretary

Date Approved: February 21, 2017