

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

August 23, 2017
Wednesday
4:00 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 4:27 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
Bettina Chastain, Vice Chair
Jim Henderson, Secretary
Sisi Cooper, Treasurer
Susan Reeves, Director
Harry Crawford, Director
Stuart Parks, Director

Guests and Staff in Attendance:

Lee Thibert	Dustin Highers	Jean Kornmuller
Tyler Andrews	Brian Hickey	Teresa Kurka
Sherri Highers	Julie Hasquet	Todd McCarty
Arthur Miller	Sean Skaling	Ron Vecera
Connie Owens	Jody Wolfe	Taylor Crocker
Mark Johnson	Kathy Harris	Josh Travis
Mark Fouts	Tom Schulman	

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

Lee Thibert, Chief Executive Officer (CEO) congratulated Mr. Crocker for acquiring his Safety Professional Certification.

II. APPROVAL OF THE AGENDA

Director Reeves 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. *Training and Conferences*
 - 1. *NRECA Region 9 Meeting, October 16-18, 2017, Denver, CO (Deadline for conference and hotel registration is September 14, 2017)*
 - 2. *Director Winter School, December 1-6, 2017, Nashville, TN (Deadline for conference and hotel registration is November 29, 2017)*
- C. *Minutes*
 - 1. *July 26, 2017, Regular Board of Directors' Meeting (Quezon-Vicente)*
- D. *Director Expenses*

Chair Reiser discussed the upcoming training and conferences and stated that for any Directors interested to coordinate with Connie Owens.

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

V. CEO REPORTS AND CORRESPONDENCE

- A. *2nd Quarter 2017 Key Metrics Dashboard (Thibert)*
Lee Thibert, Chief Executive Officer (CEO) and Tyler Andrews, VP, Member and Employee Services discussed the 2nd Quarter 2017 Key Metrics Dashboard and responded to questions from the Board.

- B. *Multi-Stage Energy Storage Project (D. Highers)*
Dustin Highers, Director, Power Supply Technical Services, presented the Multi-Stage Energy Storage Project.

Mr. Highers and Lee Thibert, CEO discussed the Multi-Stage Energy Storage Project and responded to questions from the Board.

VI. DIRECTOR REPORTS

- A. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*
Lee Thibert, CEO and Chair Reiser reported on the July 27, 2017, ARCTEC meeting.

Chair Reiser stated that further discussion will continue in the Executive Session.

- B. *Board Committee Reports (Audit and Finance, Operations & Governance)*
Director Cooper reported on the August 9, 2017, Audit and Finance Committee meeting.

Sherri Highers, Chief Financial Officer (CFO) and Lee Thibert, CEO discussed the KPMG report and responded to questions from the Board.

Ms. Highers stated that Ms. Beth Stuart will speak to Director Cooper in the near future for more information regarding the KPMG settlement matter.

- C. *Other Meeting Reports*

Director Cooper reported on the August 18, 2017, REAP which was attended with Director Parks.

Mr. Thibert, CEO stated that there will be an RCA hearing on the following dates:

1. September 27, 2017 on Power pool.
2. October 11, 2017 on Reliability.

Mr. Thibert, CEO also reported on the RCA Public meeting today regarding Transco.

Director Chastain and Mr. Thibert, CEO discussed the teleconference with Senator Natasha von Imhof. Chair Reiser stated that further discussion will continue in the Executive Session.

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

- A. *Simplified Rate Filing – June 2017 Test Year* (Miller/Kornmuller)*

Director Reeves moved and Director Cooper seconded the motion that the Board of Directors approve the Resolution authorizing filing with the Regulatory Commission of Alaska, the Simplified Rate Filing described therein.

Jean Kornmuller, Manager, Regulatory Affairs and Arthur Miller, Executive Manager, Regulatory & External Affairs discussed the Simplified Rate Filing – June 2017 Test Year and responded to questions from the Board.

After discussion, Chair Reiser called for a vote. The motion passed unanimously.

- B. *Approve NRECA Resolutions* (Board)*

Chair Reiser stated that this agenda item will be moved to the September 27, 2017 Regular Board meeting. No objections were made.

The Board was encouraged to read the resolution for discussion at the next meeting.

C. *Discounting Capital Credits* (S. Highers)*

Director Chastain moved and Director Reeves seconded the motion that the Board of Directors' approve the resolution increasing the authorization for early (discounted) capital credit payments to former members and estates for 2017 by \$25,000.

Sherri Highers, Chief Financial Officer and VP of Finance and Administration and Teresa Kurka, Director, Member Services discussed the Discounting Capital Credits and responded to questions from the Board.

After discussion, Chair Reiser called for a vote. The motion passed unanimously.

IX. EXECUTIVE SESSION

A. *Financial and Legal Matters*

1. *NRUCFC Line of Credit*
2. *Update on Battle Creek*
3. *Update on Fire Island Wind Phase 2*
4. *Public Meeting with RCA / Transco Discussion*
5. *New Issues/Ideas*

B. *Strategic Planning Committee Updates*

1. *Fuel and Power Supply*
2. *Railbelt Alignment*
3. *Reputation/Plan C & Ancillary Services*

C. *CEO Goals and Parameters and Project Specific Objectives*

At 5:53 p.m., Director Reeves moved and Director Cooper 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 financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 2) receive reports upon legal matters that are attorney/client privileged, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative; and, 3) to discuss personnel matters that may tend to prejudice the reputation or character of a person; however, the person may request a public discussion. The motion passed unanimously.

The meeting reconvened in open session at 7:00 p.m.

X. NEW BUSINESS

A. *Approval of the NRUCFC Line of Credit* (S. Highers)*

Director Chastain moved and Director Cooper seconded the motion that the Board of Directors authorize the Chief Executive Officer to enter into a Revolving Line of Credit Agreement (Agreement) with NRUCFC in an amount

