

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

**September 27, 2017**  
**Wednesday**  
**4:00 p.m.**

**REGULAR BOARD OF DIRECTORS' MEETING**

Recording Secretary: Divina Portades

**I. CALL TO ORDER**

Vice Chair Chastain called the Regular Meeting of the Board of Directors to order at 4:01 p.m. in the boardroom of Chugach Electric Association, Inc., 5601 Electron Drive, Anchorage, Alaska.

*A. Pledge of Allegiance*

Vice Chair Chastain led the Board in the Pledge of Allegiance.

*B. Roll Call*

*Board Members Present:*

Janet Reiser, Chair (*via teleconference*)

Bettina Chastain, Vice Chair

Jim Henderson, Secretary

Sisi Cooper, Treasurer (*arrived at 5:21 p.m.*)

Susan Reeves, Director

Harry Crawford, Director

Stuart Parks, Director

*Guests and Staff in Attendance:*

Lee Thibert

Paul Risse

Teresa Kurka

Tyler Andrews

Brian Hickey

Todd McCarty

Sherri Highers

Julie Hasquet

Taylor Crocker

Arthur Miller

Sean Skaling

Jon Sinclair

Arden Quezon-Vicente

Jody Wolfe

James Mullican

Mark Johnson

Kathy Harris

Kate Ayers

Mark Fouts

Tom Schulman

Megan Lorenzen,

Kenneth Murray

Renee Curran

3Degrees

Shelly Schmitt

Marty Freeman

*C. Safety Minute*

Taylor Crocker, Safety Specialist discussed "*Chemical Safety*".

**II. APPROVAL OF THE AGENDA**

Director Reeves moved and Director Crawford seconded the motion to approve the agenda.

Chair Reiser requested a friendly amendment to remove Agenda X.B. Approval of Salary Matrix and defer to the October 2017, Regular Board of Directors' Meeting.

The friendly amendment was accepted by Directors Reeves and Crawford.

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

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

### **III. PERSONS TO BE HEARD**

- A. *Member Comments*  
None

### **IV. CONSENT AGENDA**

- A. *Board Calendar*
- B. *Training and Conferences*
  - 1. *Director Winter School, December 1-6, 2017, Nashville, TN (Deadline for conference and hotel registration is November 29, 2017)*
- C. *Minutes*
  - 1. *August 23, 2017, Regular Board of Directors' Meeting (Quezon-Vicente)*
  - 2. *September 6-8, 2017, Special Board of Directors' Meeting (Portades/Quezon-Vicente)*
- D. *Director Expenses*

*Vice Chair Chastain and the Board discussed the 2017 NRECA Region 9 meeting, the upcoming training and conference. She also stated that if interested in attending, to coordinate with Connie Owens.*

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

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

### **V. CEO REPORTS AND CORRESPONDENCE**

- A. *July 2017 Financial Statements and Variance Report (Harris/Curran)*  
The July 2017 Financial Statements and Variance Report was provided in the meeting packet. Lee Thibert, Chief Executive Officer (CEO) responded to questions from the Board.
- B. *3<sup>rd</sup> Quarter 2017 Railbelt Bill Comparison (Skaling/Miller)*  
The 3<sup>rd</sup> Quarter 2017 Railbelt Rate Comparison was provided in the meeting packet.
- C. *Chugach Streetlights – LED Upgrade Presentation (Risse/Schmitt)*  
Shelly Schmitt, Sr. Manager, Distribution Engineering presented the Chugach Streetlights – LED upgrade project and responded to questions from the Board.

*D. Member Appreciation Day (Andrews)*

Tyler Andrews, Vice President, Member and Employee Services invited the Board members to attend the Member Appreciation Day on Friday, October 6<sup>th</sup>.

Kate Ayers, Energy Efficiency and Conservation Specialist discussed the October 6, 2017, Member Appreciation Day agenda and activities.

Ms. Ayers and Lee Thibert, CEO responded to questions from the Board.

**VI. DIRECTOR REPORTS**

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

Chair Reiser and Lee Thibert, CEO reported on the ARCTEC RFP and the September 27, 2017, RCA Public Meeting on ARCTEC.

*B. Board Committee Reports (Audit and Finance, Operations & Governance)*

Vice Chair Chastain stated that there were no Audit and Finance Committee Meeting to report.

Vice Chair Chastain reported on the September, 26, 2017, Operations Committee Meeting.

Director Reeves stated that a possible Governance Committee Meeting will be scheduled as the annual meeting is approaching.

*C. Other Meeting Reports*

Director Parks reported on the September 26, 2017, REAP Meeting.

Chair Reiser reported on the September 20-22, 2017, National Hydroelectric Association Conference in Girdwood, Alaska and deferred further discussion in the Executive Session.

**VII. UNFINISHED BUSINESS**

*A. Approve NRECA Resolutions\* (Board)*

Director Reiser moved and Director Reeves seconded the motion that the Board of Directors approve the NRECA recommendations with the exception of Resolution No. 4.

*Director Cooper arrived at 5:21 p.m.*

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

**VIII. NEW BUSINESS**

*A. Appointment of 2017 NRECA Voting Delegate and Alternate\* (Board)*

Director Cooper moved and Director Crawford seconded the motion that the Board of Directors appoint Director Reeves as the NRECA Voting Delegate and Director Parks as the alternate. The motion passed unanimously.

## **IX. EXECUTIVE SESSION**

- A. *Financial and Legal Matters*
- B. *Strategic Planning Committee Updates*
- C. *CEO Goals and Parameters and Project Specific Objectives*

At 5:46 p.m., Director Reeves moved and Director Crawford 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 9:08 p.m.*

## **X. NEW BUSINESS**

- A. *Retirement Security Plan Restatement\* (Andrews)*  
Tyler Andrews, Vice President, Member and Employee Services, gave an overview and responded to questions from the Board.

Director Crawford moved and Director Reeves seconded the motion that the Board of Directors approve the resolution authorizing the amendment and the restatement of the NRECA Retirement Security Plan essentially the same as discussed in Executive Session. The motion passed unanimously.

- B. *Approval of Salary Plan Matrix\*\* (Andrews)*  
This agenda item was removed and deferred to the October 2017, Regular Board of Directors' Meeting.
- C. *Amendment to Memorandum of Agreement dated July 27, 2007 between Homer Electric Association, Inc. and Chugach Electric Association, Inc.\* (Miller)*  
Director Cooper moved and Director Reeves seconded the motion that the Board of Directors authorize the Chief Executive Officer to sign the Amendment to the Memorandum of Agreement between Homer Electric Association, Inc. and Chugach Electric Association, Inc. under the terms and conditions substantially the same as discussed in executive session. The motion passed unanimously.
- D. *2017 Retail Capital Credit Retirement\* (Andrews/S. Highers)*  
Director Crawford moved and Director Reeves seconded the motion that the Board of Directors approve the resolution authorizing a retail capital credit retirement of \$1,773,702, which will retire approximately 34% of capital credits for the year 1991. The retail capital credit retirement will be distributed no later than December 31, 2017. The motion passed unanimously.

*E. 2017 HEA Capital Credit Retirement Payment\* (Andrews/S. Highers)*

Director Cooper moved and Director Reeves seconded the motion that the Board of Directors approve the resolution authorizing a capital credit retirement payment to HEA of \$2,000,000. This capital credit retirement payment will be distributed to HEA no later than December 31, 2017. The motion passed unanimously.

*F. 2017 Wholesale Capital Credit Retirement\* (Andrews/S. Highers)*

Director Reeves moved and Director Cooper seconded the motion that the Board of Directors approve the resolution authorizing a wholesale capital credit retirement to MEA and SES of \$789,578 and \$68,648, respectively, which will represent a retirement for the balance of 1995 and approximately 61% of 1996. This capital credit retirement will be distributed to SES no later than December 31, 2017 and is expected to be distributed to MEA no later than December 31, 2019. The motion passed unanimously.

**XI. DIRECTOR COMMENTS**

Director comments were made at this time.

**XII. ADJOURNMENT**

At 9:16 p.m., Director Cooper moved and Director Parks seconded the motion to adjourn. The motion passed unanimously.

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James Henderson, Secretary

Date Approved: October 25, 2017