

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

November 29, 2017
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Divina Portades

I. CALL TO ORDER

Chair Reiser called the Regular Meeting of the Board of Directors to order at 4:02 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 (*arrived at 4:14 p.m.*)
Sisi Cooper, Treasurer (*arrived at 4:03 p.m.*)
Susan Reeves, Director (*arrived at 4:05 p.m.*)
Harry Crawford, Director
Stuart Parks, Director

Guests and Staff in Attendance:

Lee Thibert	Arthur Miller	Todd McCarty
Paul Risse	Connie Owens	James Mullican
Sherri Highers	Sean Skaling	Teresa Kurka
Brian Hickey	Jody Wolfe	Jon Sinclair
Mark Johnson	Renee Curran	Russ Thornton
Julie Hasquet	Tom Schulman	Ron Vecera
Mark Fouts	Josh Travis	Todd Glass, WSGR (<i>via</i>
Taylor Crocker	Josh Resnick	<i>teleconference</i>)
Kathy Harris	Jean Kornmuller	

C. *Safety Minute*
Taylor Crocker, Sr. Safety Specialist discussed "*Holiday Safety*" and responded to questions from the Board.

Director Cooper arrived at 4:03 p.m.

Director Reeves arrived at 4:05 p.m.

II. APPROVAL OF THE AGENDA

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

Director Henderson was not present at the time of vote.

III. PERSONS TO BE HEARD

- A. *Member Comments*
None

IV. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
 - 1. *2018 NRECA Annual Meeting, February 22-28, 2018, Nashville TN (Deadline for conference and hotel registration is January 19, 2018)*
- C. *Minutes*
 - 1. *October 25, 2017, Regular Board of Directors' Meeting (Quezon-Vicente)*
- D. *Director Expenses*
- E. *Discounting 2018 Capital Credits Payments (S. Highers)*
- F. *2018 Operating and Capital Budget (S. Highers)*

Director Parks moved and Director Cooper seconded the motion to approve the consent agenda. The motion passed unanimously.

Director Henderson was not present at the time of vote.

Chair Reiser stated that she will submit her resignation effective December 31, 2017 at the December 2017 Board meeting.

V. CEO REPORTS AND CORRESPONDENCE

- A. *3rd Quarter 2017 Key Metrics Dashboard (Thibert)*
The 3rd Quarter 2017 Key Metrics Dashboard was provided in the meeting packet.
- B. *Annual Member Survey (Hasquet)*
The Annual Member Survey was provided in the meeting packet.

Director Reeves and Chair Reiser commented on the member survey.

- C. *2017 Capital Credit Retirement Update (Andrews)*
The 2017 Capital Credit Retirement Update was provided in the meeting packet.

VI. DIRECTOR REPORTS

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

Lee Thibert, Chief Executive Officer (CEO) reported on the November ARCTEC meeting.

Director Crawford also reported on the November ARCTEC meeting and deferred further discussion in the Executive Session.

- B. Board Committee Reports (Audit and Finance, Operations & Governance)*
Director Cooper reported on the November 6th & 27th, 2017, Audit and Finance Committee Meetings.

Vice Chair Chastain reported on the November 28, 2017, Operations Committee Meeting.

Director Henderson arrived at 4:14 p.m.

Director Reeves stated that there is none to report on the Governance Committee Meeting.

- C. Other Meeting Reports*
Director Cooper reported on the November 3, 2017, REAP Board meeting.

Chair Reiser, stated that any discussion on the REAP voting be deferred to Executive Session.

Chair Reiser reported on the REAP testimonial for their funding.

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

- A. Appointments to 2018 Bylaws Committee* (Board)*
Director Reeves moved and Director Crawford seconded the motion that the Board of Directors appoint Frank Gwartney to “B” term on the Bylaws Committee. The motion passed unanimously.
- B. Appointments to 2018 Election Committee* (Board)*
Director Reeves moved and Director Crawford seconded the motion that Board of Directors appoint Louis Theiss to “B” term and Stacey Horn and Esther Cox to the “A” term on the Election Committee. The motion passed unanimously.
- C. Appointments to 2018 Nominating Committee* (Board)*
Director Reeves moved and Director Chastain seconded the motion that the Board of Directors appoint Ashley Johnson to a “A” term on the Nominating Committee. The motion passed unanimously.
- D. Procurement of Switchgear for DeBarr Substation* (Sinclair/Hickey)*
Director Reeves moved and Director Crawford seconded the motion that the Board of Directors authorize the Chief Executive Officer to execute a contract

for 34.5 kV and 12.5 kV switchgear with Myers Power Products, Inc. The motion passed unanimously.

E. Battle Creek Project Confirmation (S. Highers)*

Director Parks moved and Director Chastain seconded the motion that the Board of Directors confirm the authorization for the Chief Executive Officer (CEO) to participate in the Battle Creek Diversion Project, securing its full share plus such additional unsubscribed shares as may be available, at an estimated cost to Chugach between \$14.3 and \$47.0 million, subject to final participation decisions.

Sherri Highers, Chief Financial Officer (CFO) & VP, Finance and Administration and Lee Thibert, CEO gave an overview and summary of the Battle Creek Diversion project and responded to questions from the Board.

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

F. Simplified Rate Filing – September 2017 Test Year (Kornmuller/Miller)*

Director Cooper moved and Director Reeves seconded the motion that the Board of Directors approve the Resolution authorizing filing with the RCA Chugach's September 2017 test year SRF requesting approval to increase demand and energy rates by 0.4 percent to Chugach retail and 0.2 percent to the wholesale class of Seward Electric System for rates effective February 1, 2018. The motion passed unanimously.

*G. National Association of Corporate Directors Membership** (Board)*

Director Henderson moved and Director Crawford seconded the motion that the Board of Directors approve the National Association of Corporate Directors membership.

Director Henderson and Brian Hickey, Sr. VP, System Operations discussed the National Association of Corporate Directors membership and responded to questions from the Board.

Director Reeves offered a friendly amendment to the motion to add a phrase "with target expenditure for 2018 calendar year not to exceed \$20,000" after the word "membership".

Directors Henderson and Crawford accepted Director Reeves' friendly amendment to the motion to read as follows: Board of Directors approve the National Association of Corporate Directors membership with target expenditure for 2018 calendar year not to exceed \$20,000.

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

IX. EXECUTIVE SESSION

A. Strategic Planning

At 5:06 p.m., Director Crawford moved and Director Reeves 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) discuss with its attorneys and 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. The motion passed unanimously.

The meeting reconvened in open session at 6:41 p.m.

X. NEW BUSINESS

A. Approve Vision, Mission and Value Statements (Miller)*

Director Reeves moved and Director Crawford seconded the motion that the Board of Directors approve the Resolution updating the Association's vision, mission and value statements as described herein. The motion passed unanimously.

B. Building G Lease Extension (Risse)*

Director Chastain moved and Director Cooper seconded the motion that the Board of Directors hereby authorizes the Chief Executive Officer to issue an addendum to the current Building G Lease with AMP Industries, extending the lease, five years, from its current termination date of December 31, 2018, to December 31, 2023; thereby, increasing the total cost of the lease in the amount of \$1,080,000. The motion passed unanimously.

C. Approve 2018 Strategic Plan (Miller)*

Director Cooper moved and Director Chastain seconded the motion that the Board of Directors approve Chugach Electric Association, Inc.'s 2018 Strategic Plan as discussed in Executive Session. The motion passed unanimously.

D. Eklutna Resolution (Thibert)*

Director Reeves moved and Director Parks seconded the motion to approve the Eklutna Resolution as discussed in Executive Session. The motion passed unanimously.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 6:47 p.m., Director Cooper moved and Director Chastain seconded the motion to adjourn. The motion passed unanimously.

/ss/

James Henderson, Secretary

Date Approved: December 20, 2017