

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

January 24, 2018
Wednesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Divina Portades

I. CALL TO ORDER

Vice Chair Chastain called the Regular Board of Directors Meeting to order at 4:03 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:

Bettina Chastain, Vice Chair

Jim Henderson, Secretary

Sisi Cooper, Treasurer

Susan Reeves, Director

Harry Crawford, Director

Stuart Parks, Director

Rachel Morse, Director

Guests and Staff in Attendance:

Lee Thibert

Jody Wolfe

Todd McCarty

Connie Owens

Renee Curran

Kathy Harris

Paul Risse

Tom Schulman

Nate Schlimgen

Brian Hickey

Jon Sinclair

Ron Vecera

Tyler Andrews

Sean Skaling

Theresa Quigley

Mark Johnson

Rodney Kaas

Matt Moore, Member

Julie Hasquet

Josh Resnick

Elizabeth Stuart, KPMG

Mark Fouts

Marty Freeman

Mark Begich, Northern

Arthur Miller

Arden Quezon-Vicente

Compass

C. Safety Minute

Marty Freeman, Manager, Safety discussed “*Ice Safety/Ice Rescue*” and responded to questions from the Board.

II. APPROVAL OF THE AGENDA

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

III. EXECUTIVE SESSION

A. Discussion – Election of Officers

At 4:12 p.m., Director Parks moved and Director Cooper seconded the motion that pursuant to Alaska Statute 10.25.175 (c) (2) the Board of Directors go into executive session to engage in a deliberative process addressing 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 4:53 p.m.

IV. NEW BUSINESS

A. Election of New Officers* (Board)

Vice Chair Chastain called on Tom Schulman, Legal Project Administrator and Mark Johnson, Outside Counsel. Mr. Schulman and Mr. Johnson discussed the process of electing new officers and responded to questions from the Board.

Vice Chair Chastain opened the floor to nominations for Chair of the Board.

Director Reeves nominated Vice Chair Chastain for Chair of the Board and Director Cooper seconded the nomination.

Director Parks nominated Director Henderson for Chair of the Board and Director Crawford seconded the nomination.

No other nominations were made. Director Reeves called for a vote. No objections were made.

The Board of Directors' voted as follows:

Director Chastain – voted for herself
Director Cooper – Director Chastain
Director Crawford – Director Henderson
Director Henderson – voted for himself
Director Morse – abstained
Director Parks – Director Chastain
Director Reeves – Director Chastain

The result of the vote: Vice Chair Chastain was elected Chair of the Board by 4 to 2 votes.

Chair Chastain opened the floor to nominations for the Vice Chair of the Board. Director Crawford nominated Director Reeves for Vice Chair of the Board and Director Cooper seconded the nomination.

Director Parks nominated Director Henderson for Vice Chair of the Board and Director Cooper seconded the nomination.

No other nominations were made. Chair Chastain called for a vote.

The following Directors' voted as follows:

Director Chastain – Director Reeves
Director Cooper – Director Reeves
Director Crawford – Director Reeves
Director Henderson – voted for himself
Director Morse – Director Reeves
Director Parks – Director Henderson
Director Reeves – voted for herself

The result of the vote: Director Reeves was elected Vice Chair of the Board by 5 to 2 votes.

V. PERSONS TO BE HEARD

- A. *Member Comments*
None

VI. CONSENT AGENDA

- A. *Board Calendar*
B. *Training and Conferences*
 1. *Gettysburg Leadership Experience for Co-Op Leaders, April 4-6, 2018, Gettysburg, PA (Deadline for conference and hotel registration is March 1, 2018)*
 2. *2018 NRECA Legislative Conference, April 8-10, 2018, Washington, DC (Deadline for conference and hotel registration is March 2, 2018)*

C. *Minutes*
 1. *December 18, 2017, Special Board of Directors' Meeting (Portades)*
 2. *December 20, 2017, Regular Board of Directors' Meeting (Quezon-Vicente)*
 3. *December 21, 2017, Special Board of Directors' Meeting (Portades)*
 4. *December 26, 2017, Special Board of Directors' Meeting (Quezon-Vicente)*

D. *Director Expenses*

Chair Chastain stated that if interested in attending Gettysburg Leadership Experience for Co-Op Leaders and 2018 NRECA Legislative Conference, to coordinate with Connie Owens.

Director Henderson will be attending the April 4-6, 2018, Gettysburg Leadership Experience for Co-Op Leaders.

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

VII. CEO REPORTS AND CORRESPONDENCE

- A. *4th Quarter 2017 Safety Report (Freeman/Andrews)*
The 4th Quarter 2017 Safety Report was provided in the meeting packet.

Lee Thibert, Chief Executive Officer (CEO) discussed the 4th Quarter 2017 Safety Report and reported on the Apprentice Lineman injury.

Tyler Andrews, Vice President, Member and Employee Services, responded to questions from the Board.

B. Member Attitude Survey (Hasquet/Andrews)

The Member Attitude Survey was provided in the meeting packet.

Lee Thibert, CEO, and Julie Hasquet, Manager, Corporate Communication discussed the member attitude survey and responded to questions from the Board.

Chair Chastain deferred further discussion on the member attitude survey in the Executive Session.

C. November 2017 Financial Statements and Variance Report (Harris/Curran)

The November 2017 Financial Statements and Variance Report was provided in the meeting packet.

Arthur Miller, Executive Manager, Regulatory and External Affairs, responded to questions from the Board.

D. NWPPA Board of Trustees Dinner – March 8 @ 5:30 p.m. (Anchorage Downtown Hilton)

Lee Thibert, Chief Executive Officer discussed the dinner invitation from the NWPPA Board of Trustees, scheduled for March 8, 2018 at 5:30 p.m.

VIII. DIRECTOR REPORTS

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

Lee Thibert, CEO, reported on the possible presentations to the legislators in February 6 & 13, 2018 on the ISO/Transco.

Paul Risse, Sr. Vice President, Production and Engineering, reported on the January 11 & 18, 2018, ARCTEC Board meeting.

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

Director Cooper stated that there is none to report on Audit and Finance Committee.

Chair Chastain stated that there is none to report on Operations Committee.

Vice Chair Reeves stated that there is none to report on Governance Committee.

C. Other Meeting Reports

Director Crawford reported on the January 23, 2018, Election Committee meeting.

Directors Cooper and Parks reported on the January 11, 2018, REAP Quarterly Board meeting.

IX. UNFINISHED BUSINESS

None

X. NEW BUSINESS

A. Project Authorization for International Substation Retirements(INSS) (Sinclair/Hickey)*

Director Reeves moved and Director Cooper seconded the motion that the Board of Directors' authorizes the Chief Executive Officer (CEO) to approve project expenditures for Retire of the INSS 138 kV Facilities at an estimated amount of \$2,700,000 with an estimated completion date of December 2018.

Lee Thibert, CEO, Brian Hickey, Sr. Vice President, System Operations and Jon Sinclair, Sr. Manager, Transmission Engineering discussed the project authorization for International Substation Retirements and responded to questions from the Board.

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

B. Appointment of ARCTEC Member, Management and Alternate Representatives (Board)*

Director Cooper moved and Director Morse seconded the motion that the Board of Directors' adopts the Resolution appointing Director Crawford as Chugach's Member Representative, Lee Thibert as Management Representative and Director Parks as Alternate Representative to the ARCTEC Board of Directors.

After discussion, the Board agreed to vote separately on Chugach's appointment of ARCTEC Member Representative and alternate.

Director Cooper withdrew the original motion. No objections were made.

Chair Chastain opened the floor to nominations for Chugach's ARCTEC Member Representative.

Director Reeves nominated Director Crawford as Chugach's Member Representative and Director Crawford seconded the nomination. No other nominations were made. Director Crawford's nomination as Chugach's ARCTEC Member Representative passed unanimously.

Chair Chastain opened the floor to nominations for Chugach's ARCTEC Alternate Representative.

Director Cooper nominated Director Henderson for Chugach's ARCTEC Alternate Representative and Director Reeves seconded the nomination.

Chair Chastain nominated Director Parks for Chugach's ARCTEC Alternate

Representative and Director Cooper seconded the nomination.

No other nominations were made. Chair Chastain called for a vote and stated that there are two candidates for Chugach's ARCTEC Alternate Representative.

The result of the vote: Director Henderson was nominated as Chugach's ARCTEC Alternate Representative by 5 to 2 votes.

Director Cooper moved and Director Morse seconded the motion that the Board of Directors' adopts the Resolution appointing Director Crawford as Chugach's Member Representative, Lee Thibert as Management Representative and Director Henderson as Alternate Representative to the ARCTEC Board of Directors. The motion passed unanimously.

C. *Appointment of 2018 CFC Voting Delegate and Alternate* (Board)*

Director Reeves moved and Director Henderson seconded the motion that the Board of Directors' appoints Director Henderson as the 2018 CFC voting delegate and Director Reeves as the alternate. The motion passed unanimously.

XI. EXECUTIVE SESSION

- A. *Strategic Planning*
- B. *CEO Goals and Parameters and Project Specific Objectives*

At 5:40 p.m., Director Reeves moved and Director Cooper 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) 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 8:18 p.m.

XII. DIRECTOR COMMENTS

Director comments were made at this time.

XIII. ADJOURNMENT

At 8:24 p.m., Director Cooper moved and Director Morse seconded the motion to adjourn. The motion passed unanimously.

/ss/
James Henderson, Secretary
Date Approved: February 20, 2018