

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

February 20, 2018
Tuesday
4:00 p.m.

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Arden Quezon-Vicente

I. CALL TO ORDER

Chair Chastain called the Regular Board of Directors Meeting 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 Chastain led the Board in the Pledge of Allegiance.

B. Roll Call

Board Members Present:

Bettina Chastain, Chair

Susan Reeves, Vice Chair (*via teleconference*)

Jim Henderson, Secretary

Sisi Cooper, Treasurer (*via teleconference*)

Harry Crawford, Director (*arrived during executive session*)

Stuart Parks, Director

Rachel Morse, Director

Guests and Staff in Attendance:

Lee Thibert

Tom Schulman

Todd McCarty

Connie Owens

Jon Sinclair

Marty Freeman

Brian Hickey

Sean Skaling

Rodney Kaas

Sherri Highers

Josh Resnick

Kate Ayers

Mark Fouts

Josh Travis

Robert Price

Arthur Miller

Teresa Kurka

James Mullican

Tyler Andrews

Jean Kornmuller

Mark Norman

Julie Hasquet

Mark Johnson

Aletha Rudisil

C. Safety Minute

Marty Freeman, Manager, Safety discussed "*Winter Driving Safety*" and responded to questions from the Board.

II. APPROVAL OF THE AGENDA

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

Director Crawford was not present at the time of vote.

III. PERSONS TO BE HEARD

A. Member Comments

Aletha Rudisil, Chugach member addressed the Board regarding the ML&P acquisition.

Director Parks was designated as acting Treasurer. No objections were made.

Director Morse was designated to sign Directors Crawford and Reeves' expense report.

IV. CONSENT AGENDA

A. Board Calendar

- 1. March 21-22, 2018, Juneau, Alaska*

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. January 22, 2018, Special Board of Directors' Meeting (Quezon-Vicente)*
- 2. January 24, 2018, Regular Board of Directors' Meeting (Portades)*

D. Director Expenses

E. Bank Signature Cards

Chair Chastain stated that if interested in attending the Board Trip to Juneau, to let her know or coordinate with Connie Owens.

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

Director Crawford was not present at the time of vote.

V. CEO REPORTS AND CORRESPONDENCE

A. Balloting Process Security Update (Kurka/Andrews)

The Balloting Process Security Update was provided in the meeting packet.

Teresa Kurka, Director, Member Services, discussed the Balloting Process Security Update and responded to questions from the Board.

VI. DIRECTOR REPORTS

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

Lee Thibert, Chief Executive Officer (CEO), reported on January 25, 2018, ARCTEC meeting and January 26, 2018, RCA meeting on RRC Effort.

Lee Thibert, CEO, requested to continue discussion in executive session. No objections were made.

- B. *Board Committee Reports (Audit and Finance, Operations & Governance)*
Director Cooper stated that there is none to report on Audit and Finance Committee.

Director Parks stated that there has been no Operations Committee meeting.

Vice Chair Reeves stated that the Bylaws were reviewed from the last meeting of the Bylaws Committee and will have another meeting on Thursday, February 22nd.

- C. *Other Meeting Reports*
Director Parks and Director Cooper reported on the February 9, 2018, REAP meeting.

Director Cooper requested that additional discussion regarding REAP will continue in executive session. No objections were made.

Lee Thibert, CEO, invited the Board to the REAP presentation tomorrow, February 21, 2018 at 3:30 p.m. at Chugach Electric Boardroom.

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

- A. *Appointment of Nominating Committee Members * (Schulman)*
Tom Schulman, Legal Project Administrator, discussed the Appointment of Nominating Committee Members and responded to questions from the Board.

Director Henderson moved and Director Parks seconded the motion that the Board of Directors appoint Michael Powell, Jessica Koloski and Mary P. (Patti) Bogan to the Nominating Committee for a one-year term. The motion passed unanimously.

Director Crawford was not present at the time of vote.

- B. *Approval of 2018 Date of Record* (Kurka)*
Teresa Kurka, Director, Member Services, discussed the Approval of 2018 Date of Record and responded to questions from the Board.

Director Morse moved and Director Parks seconded the motion that the Board of Directors' set April 5, 2018, as the Date of Record for Chugach's 2018 election. The motion passed unanimously.

Director Crawford was not present at the time of vote.

C. *Approval of 2018 Master Election Judge* (Kurka)*

Teresa Kurka, Director, Member Services, discussed the Approval of 2018 Master Election Judge.

Director Parks moved and Director Henderson seconded the motion that the Board of Directors appoint Stacey Horn as the 2018 Master Election Judge. The motion passed unanimously.

Director Crawford was not present at the time of vote.

D. *2018 Election Procedures* (Kurka)*

Teresa Kurka, Director, Member Services, discussed the 2018 Election Procedures and responded to questions from the Board.

Director Parks moved and Director Henderson seconded the motion that the Board of Directors approve the 2018 Election Procedures as recommended by the Election Committee. The motion passed unanimously.

Director Crawford was not present at the time of vote.

E. *Simplified Rate Filing (SRF) December 2017 Test Year* (Kornmuller/Miller)*

Jean Kornmuller, Manager, Regulatory Affairs and Arthur Miller, Vice President, Regulatory & External Affairs discussed the Simplified Rate Filing (SRF) December 2017 Test Year and responded to questions from the Board.

Director Morse moved and Director Henderson seconded the motion that the Board of Directors approve the attached Resolution authorizing Chugach to file with the RCA, a December 2017 test year SRF requesting approval to increase demand and energy rates by 0.7 percent to Chugach retail and 0.2 percent to the wholesale class of Seward Electric System for rates effective May 1, 2018. The motion passed unanimously.

Director Crawford was not present at the time of vote.

F. *115 kV Rebuild – Hope to Summit Project Authorization* (Sinclair/Hickey)*

Jon Sinclair, Sr. Manager, Transmission Substation Engineering and Lee Thibert, CEO discussed the 115 kV Rebuild – Hope to Summit Project Authorization and responded to questions from the Board.

Director Parks moved and Director Morse seconded the motion that the Board of Directors approve the resolution authorizing the Chief Executive Officer (CEO) to approve project expenditures for the 115 kV Rebuild – Hope Substation to Summit Lake Substation at an estimated amount of \$9,500,000 and with an estimated completion date of December 31, 2019.

Vice Chair Reeves' offered a friendly amendment to revise the resolution. Directors Parks and Morse accepted Vice Chair Reeves' amendment.

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

Director Crawford was not present at the time vote.

IX. EXECUTIVE SESSION

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

At 5:11 p.m., Director Morse moved and Director Henderson 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 7:54 p.m.

Director Crawford arrived during the Executive Session.

X. DIRECTOR COMMENTS

Director comments were made at this time.

XI. ADJOURNMENT

At 7:58 p.m., Director Crawford moved and Chair Chastain seconded the motion to adjourn. The motion passed unanimously.

/ss/

James Henderson, Secretary

Date Approved: March 28, 2018