

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

April 25, 2018
Wednesday
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 4:00 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

Jim Henderson, Secretary

Sisi Cooper, Treasurer (*arrived at 4:10 p.m.*)

Harry Crawford, Director

Stuart Parks, Director

Rachel Morse, Director

Guests and Staff in Attendance:

Lee Thibert

Arthur Miller

Josh Travis

Connie Owens

Paul Risse

Teresa Kurka

Brian Hickey

Julie Hasquet

Phil Steyer

Sherri Highers

Tom Schulman

Jody Wolfe

Mark Fouts

Sean Skaling

Kathy Harris

Matthew Clarkson

Josh Resnick

Renee Curran

Tyler Andrews

Andrew Laughlin

James Mullican

Burke Wick

Luke Sliman

Marty Freeman

C. *Safety Minute*

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

II. APPROVAL OF THE AGENDA

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

The motion passed unanimously.

Director Cooper was not present at the time of vote.

III. PERSONS TO BE HEARD

- A. *Member Comments*

IV. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
 - 1. *NRECA Summer Schools, June 22-27, 2018, Coeur D'Alene, ID (Deadline for conference and hotel registration is May 3, 2018)*
 - 2. *NRECA Summer School for Directors, July 27, 2018 – August 1, 2018, Savannah, GA (Deadline for conference and hotel registration is June 4, 2018)*
 - 3. *2018 NRECA Region 9 Meeting, September 25-27, 2018, Anchorage, AK (Deadline for conference registration is August 1, 2018)*
- C. *Minutes*
 - 1. *March 28, 2018, Regular Board of Directors' Meeting (Portades)*
 - 2. *April 18, 2018, Regular Board of Directors' Meeting (Quezon-Vicente)*
- D. *Director Expenses*
- E. *NRECA 2018 Annual and Regional Meeting Voting Delegate/Alternate (Board)*

Director Cooper arrived at 4:10 p.m.

Chair Chastain discussed the upcoming trainings and conference and stated that for any Directors interested in attending, to coordinate with Connie Owens.

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

V. CEO REPORTS AND CORRESPONDENCE

- A. *1st Quarter 2018 Safety Report (Skaling/Miller)*

Tyler Andrews, VP, Member and Employee Services discussed the 1st Quarter 2018 Safety Report and responded to questions from the Board.
- B. *1st Quarter 2018 Communications Report (Hasquet)*

The 1st Quarter 2018 Communications Report was provided in the meeting packet.
- C. *Election Status Update (Kurka/Andrews)*

The Election Status Update was provided in the meeting packet.
- D. *January 2018 Financial Statements and Variance Report (Harris/Curran)*

The January 2018 Financial Statements and Variance Report was provided in the packet.

- E. *February 2018 Financial Statements and Variance Report (Harris/Curran)*
The February 2018 Financial Statements and Variance Report was provided in the packet.

Lee Thibert, Chief Executive Officer (CEO) discussed the January and February 2018 Financial Statements and Variance Reports. Lee Thibert, CEO, Arthur Miller, VP Regulatory & External Affairs and Sherri Highers, Chief Financial Officer (CFO) and VP Finance and Administration responded to questions from the Board.

- F. Update – Storm Related Outages (Wick)
Burke Wick, Director, System Controls discussed the Update – Storm Related Outages. Mr. Wick and Lee Thibert, CEO responded to questions from the Board.

VI. DIRECTOR REPORTS

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

Director Crawford and Lee Thibert, CEO reported on ARCTEC meetings on April 19 and April 23, 2018.

Lee Thibert, CEO stated that the next ARCTEC meeting is scheduled on May 2, 2018 at 9:00 a.m. and deferred further discussion in the Executive Session.

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

Director Cooper stated that there has been no Audit and Finance Committee Meeting and deferred further discussion in the Executive Session.

Director Parks stated that there has been no Operations Committee Meeting and that the next Operations Committee Meeting is scheduled on May 21, 2018.

Director Reeves stated that there has been no Governance Committee Meeting but there is a lot of work to do and will discuss further in Executive Session.

- C. *Other Meeting Reports*

Directors Cooper and Parks reported on the April 24, 2018 REAP Quarterly Board Meeting.

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

- A. *Debarr Substation Rebuild – Electric Power Constructors, Inc. Change Order* (Laughlin/Hickey)*

Brian Hickey, Sr. VP System Operations introduced Andrew Laughlin, Sr. Manager, Transmission and Substation Engineering. Mr. Hickey discussed the

Debarr Substation Rebuild – Electric Power Constructors, Inc. Change Order and responded to questions from the Board.

Director Parks moved and Director Reeves seconded the motion that the Board of Directors approve the resolution authorizing the Chief Executive Officer to execute a change order for the Debarr Substation Rebuild, increasing the amount not to exceed from \$1,729,590.14 by \$597,841.38 to a new amount not to exceed of \$2,327,431.52 with Electric Power Constructors, Inc. The motion passed unanimously.

IX. EXECUTIVE SESSION

A. Strategic Planning

At 4:57 p.m., Director Morse 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 and receive reports regarding financial matters, the immediate knowledge of which would clearly have an adverse effect on the finances of the cooperative; 2) discuss personnel matters that may tend to prejudice the reputation or character of a person; however, the person may request a public discussion; and, 3) 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 8:55 p.m.

X. NEW BUSINESS* (continued)

A. 2017 CEO Evaluation, Performance Matrix and Compensation (Board)*

Director Cooper moved and Director Reeves seconded the motion that the Board of Directors approve the 2017 CEO evaluation and performance matrix. A merit increase in the amount of 5% of base salary, and a performance payment in the amount of 27.3% of base salary is authorized by the Board of Directors. This amount was determined without input from an outside compensation consultant. The amount was based on companywide and individual goals that were previously developed and discussed and supplemented by the Board of Directors during Executive Session. The amount was tied directly to these individual and companywide goals. The timeline for payment is on or before May 1, 2018 and does not include any gross up.

Director Cooper requested a friendly amendment on the original motion to add, “and discussed and supplemented by the Board of the Directors during Executive Session.” after the word developed. Director Reeves accepted the friendly amendment. The motion passed unanimously as amended.

*B. 2018 CEO Performance Parameters and Project Specific Objectives** (Board)*

No action taken. Agenda item will be discussed at a later Board meeting.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XII. ADJOURNMENT

At 9:04 p.m., Director Crawford moved and Director Henderson seconded the motion to adjourn. The motion passed unanimously.

/ss/

Stuart Parks, Secretary

Date Approved: May 23, 2018