

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

May 23, 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 4:04 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
Harry Crawford, Director
Stuart Parks, Director
Rachel Morse, Director

Guests and Staff in Attendance:

Lee Thibert	Sean Skaling	Josh Travis
Connie Owens	Josh Resnick	Teresa Kurka
Brian Hickey	Andrew Laughlin	Marty Freeman
Sherri Highers	Phil Steyer	James Mullican
Matthew Clarkson	Todd McCarty	Jean Kornmuller
Tyler Andrews	Ron Vecera	Aaron Love
Arthur Miller	Justin Penfield	Taylor Asher
Tom Schulman	Dustin Highers	Kate Ayers
Julie Hasquet		

C. Safety Minute

Marty Freeman, Manager, Safety discussed "ATV Safety" and responded to questions from the Board.

II. APPROVAL OF THE AGENDA

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

III. PERSONS TO BE HEARD

- A. *Member Comments*

IV. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
 - 1. *NRECA Summer School for Directors, July 27, 2018 – August 1, 2018, Savannah, GA (Deadline for conference and hotel registration is June 4, 2018)*
 - 2. *2018 NRECA Region 9 Meeting, September 25-27, 2018, Anchorage, AK (Deadline for conference registration is August 1, 2018)*
- C. *Minutes*
 - 1. *April 25, 2018, Regular Board of Directors' Meeting (Quezon-Vicente)*
 - 2. *April 26, 2018, Chugach Candidate Forum (Portades)*
 - 3. *May 7, 2018, Regular Board of Directors' Meeting (Quezon-Vicente)*
 - 4. *May 21, 2018, Special Board of Directors' Meeting (Portades)*
 - 5. *May 22, 2018, Regular Board of Directors' Meeting (Portades)*
- D. *Director Expenses*
- E. *FY2018 Tax Services (KPMG) (S. Highers)*

Chair Chastain stated that the training and conferences are coming up and to let Connie Owens know, if interested in attending.

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

V. CEO REPORTS AND CORRESPONDENCE

- A. *1st Quarter 2018 Sustainability Measurements (Vecera)*

The 1st Quarter 2018 Sustainability measurements were provided in the meeting packet.

Chair Chastain indicated that Director Henderson must be sworn in prior to continuing the meeting.

Matthew Clarkson, General Counsel, administered the Oath of Office to Director Henderson, elected Board member.

- B. *Update – Community Solar (Skaling/Miller)*

Arthur Miller, VP Regulatory & External Affairs and Sean Skaling, Manager, Business & Sustainability Program Development discussed the Community Solar update and responded to questions from the Board.

- C. *Board Policy (BP) Scheduled Tasks:*
1. *BP 401 – Delegation of Authority from Board of Directors to CEO – Annual Report on Staffing (Andrews)*
 2. *BP 401 – Delegation of Authority from Board of Directors to CEO – Annual Report on Employee Benefits, Employer Contributions, and What Percent Fringes are of Payroll (Andrews)*
 3. *BP 504 – Prevention and Detection of Theft of Electrical Service – Annual Report (Andrews)*
 4. *BP 507 – Energy Efficiency Conservation – Annual Report (Ayers/Andrews)*
 5. *BP 508 – Identity Theft Prevention Program – Annual Report (Andrews)*

Tyler Andrews, VP Member and Employee Services, discussed the Board Policy Scheduled Tasks and responded to questions from the Board.

VI. DIRECTOR REPORTS

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

Lee Thibert, CEO and Director Crawford reported on the ARCTEC meeting on May 15, 2018.

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

Director Cooper stated that the last Audit and Committee meeting was on May 7, 2018 and that Form 10-K and audit services were discussed.

Director Parks stated that there is an Operations Committee meeting scheduled tomorrow, May 24, 2018 at 4:00 p.m. and that CEO Evaluation has been added for discussion.

Director Reeves stated that there has been no Governance Committee Meeting.

- C. *Other Meeting Reports*

Directors Cooper and Parks stated that Solar, Membership Directors seats and GDS Report were discussed at the May 11, 2018, REAP Public Policy Committee Meeting.

VII. UNFINISHED BUSINESS

- A. *Discussion – Board Election Procedures*

Tom Schulman, Manager, Regulatory Legal, reviewed the Board Election Procedures.

- B. *Election of Officers* (Board)*

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

Director Reeves nominated Director Chastain for Chair of the Board. Director Parks seconded the nomination. No other nominations were made. Chair

Chastain closed the nominations and called for the vote. The nomination passed unanimously.

The result of the vote: Chair Chastain was elected Chair of the Board.

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

Director Cooper nominated Director Reeves for Vice Chair of the Board. Director Parks seconded the nomination. No other nominations were made. Chair Chastain closed the nominations and called for a vote. The nomination passed unanimously.

The result of the vote: Director Reeves was elected Vice Chair of the Board.

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

Director Reeves nominated Director Parks for Secretary of the Board. Director Morse seconded the nomination. No other nominations were made. Chair Chastain closed the nominations and called for a vote. The nomination passed unanimously.

The result of the vote: Director Parks was elected Secretary of the Board.

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

Director Cooper nominated Director Morse for Treasurer of the Board. Director Reeves seconded the nomination. No other nominations were made. Chair Chastain closed the nominations and called for a vote. The nomination passed unanimously.

The result of the vote: Director Morse was elected Treasurer of the Board.

C. *Committee Assignments and Appointment of Board Liaisons (Board)*

Chair Chastain stated that Director Morse is the Chair of the Audit and Finance Committee.

Chair Chastain opened the floor to nominations for Chair of the Operations Committee.

Director Morse nominated Director Parks for the Chair of the Operations Committee. Director Reeves seconded the nomination. No other nominations were made. Chair Chastain closed the nominations and called for a vote. The nomination passed unanimously.

The result of the vote: Director Parks was elected Chair of the Operations Committee.

Chair Chastain opened the floor to nominations for Chair of the Governance Committee.

Director Crawford nominated Director Reeves for Chair of the Governance Committee. Director Cooper seconded the nomination. No other nominations were made. Chair Chastain closed the nominations and called for a vote. The nomination passed unanimously.

The result of vote: Director Reeves was elected Chair of the Governance Committee.

Director Reeves recommended that Chair Chastain appoint Director Henderson as Chair of an Ad Hoc Special Committee on the subject of Conversion of Chugach to Renewable Resources. Director Henderson accepted Director Reeves' recommendation. No objections were made. Director Henderson was appointed as Chair of the Special Committee.

D. Director Cooper's Qualification to serve on the Chugach Electric Association Board of Directors (Board)*

Director Reeves and Matthew Clarkson, General Counsel, discussed the May 21, 2018, Special Board Meeting.

First Motion:

Director Parks moved and Director Reeves seconded the motion to waive the seven-day notice requirement for consideration of the proposed Board Qualification Review Resolution. Directors Cooper and Chastain were not authorized to vote. The motion passed unanimously.

Second Motion:

Director Parks moved and Director Crawford seconded the motion to approve and adopt the attached Board Qualification Review Resolution, as discussed at the May 21, 2018, Special Board of Directors' meeting, determining that Sisi Cooper is not qualified to serve on the Chugach Electric Association Board of Directors under Article IV, Section 3(a)(1) and 3(a)(7) of the Association Bylaws for the reasons stated therein. Directors Cooper and Chastain were not authorized to vote. Vice Chair Reeves called for a vote.

Crawford – Yes
Henderson – abstained
Morse – Yes
Parks – Yes
Reeves – Yes

The result of the vote is 4 yes and 1 abstained. The motion passed.

VIII. NEW BUSINESS

- A. *Adopt of Calendar of Regular Meetings of the Board of Directors* (Owens/Thibert)*

Director Morse moved and Director Crawford seconded the motion that the Board of Directors approve the attached resolution which adopts a schedule for regular meetings of the Board as reflected in the Board Calendar. The motion passed unanimously.

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

Director Reeves nominated Director Crawford for the ARCTEC Member Representative and Director Henderson as the Alternate Representative. No objections were made.

Director Morse moved and Director Parks 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 REAP Member and Alternate Representatives* (Housekeeping)*

Chair Chastain asked if any volunteers for REAP member and alternate representative. Director Henderson volunteered as the REAP alternate representative. Director Parks nominated Director Cooper as the REAP member. No objections were made.

Director Parks moved and Director Morse seconded the motion that the Board of Directors appoints Director Cooper as the REAP member and Director Henderson as the alternate representative. The motion passed unanimously.

- D. *Approve Simplified Rate Filing: March 2018 Test Year* (Kornmuller/Miller)*
Jean Kornmuller, Manager, Regulatory Affairs discussed the Simplified Rate Filing: March 2018 Test Year.

Director Reeves moved and Director Crawford seconded the motion that the Board of Directors approve the attached Resolution authorizing Chugach to file with the RCA, a March 2018 test year SRF requesting approval to increase demand and energy rates by 1.8 percent to Chugach retail and 2.9 percent to the wholesale class of Seward Electric System for rates effective August 1, 2018. The motion passed unanimously.

- E. *Project Authorization for Beluga Unit 3* (D. Highers/Risse)*

Dustin Highers, Director, Power Supply and Technical Services, introduced Aaron Love, Maintenance Planning Engineer to the Board.

Mr. Highers and Mr. Love discussed the Project Authorization for Beluga Unit 3 and responded to questions from the Board.

Director Cooper moved and Director Parks seconded the motion that the Board of Directors approve the project expenditures for the Beluga Unit 3 Major Inspection with an estimated cost of \$3,810,790 and an estimated completion date of August 31, 2018. The motion passed unanimously.

IX. EXECUTIVE SESSION

- A. *Update - Legislative Affairs*
- B. *On-Going Strategic Matters*
 - 1. *Initiatives Under Consideration*
 - 2. *Outstanding Risks to the Association*

At 6:42 p.m., Director Henderson 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 7:08 p.m.

Director Henderson left the meeting during the Executive Session, time not noted.

X. DIRECTOR COMMENTS

Chair Chastain presented and congratulated Directors Cooper and Crawford for achieving the Director Gold Program.

Director comments were made at this time.

XI. ADJOURNMENT

At 7:17 p.m., Director Cooper moved and Director Reeves seconded the motion to adjourn. The motion passed unanimously.

Director Henderson was not present at the time of vote.

/ss/
Stuart Parks, Secretary
Date Approved: June 27, 2018