

CHUGACH ELECTRIC ASSOCIATION, INC.
Anchorage, Alaska

July 25, 2018
Wednesday

Immediately Following the Audit and Finance Committee Meeting

REGULAR BOARD OF DIRECTORS' MEETING

Recording Secretary: Divina Portades

I. CALL TO ORDER

Chair Chastain called the Regular Board of Directors' Meeting to order at 5:35 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
Stuart Parks, Secretary
Rachel Morse, Treasurer
Harry Crawford, Director
Jim Henderson, Director

Board Member Excused Absence:

Susan Reeves, Vice Chair

Guests and Staff in Attendance:

Lee Thibert	Matthew Clarkson	Renee Curran
Arden Quezon-Vicente	Tom Schulman	Sean Skaling
Tyler Andrews	Taylor Crocker	Mitchell Roth, Member
Sherri Highers	Andrew Laughlin	Kerry Williams, Member
Paul Risse	Kate Ayers	Ceal Smith, Member
Arthur Miller	Linda Muise	Harold Hollis, Member
Luke Sliman	Josh Resnick	

Chair Chastain stated that Director Reeves has a request for an excused absence for July 25, 2018, Audit and Finance Committee Meeting and Regular Board of Directors' Meeting. No objections were made and the Board unanimously approved the request.

Chair Chastain asked for a volunteer to sign Director Reeves' expense report. Director Crawford volunteered to sign for Director Reeves' expense report. No objections were made.

- C. *Safety Minute*
Taylor Crocker, Sr. Safety Specialist discussed “*Back Safety*”.

II. APPROVAL OF THE AGENDA

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

Director Morse requested to add “ML&P Acquisition Update” in the Executive Session. No objections were made.

Chair Chastain requested to add “APA Annual Meeting and Training on August 22-24, 2018 in Fairbanks, Alaska” in the Consent Agenda. No objections were made.

Lee Thibert, Chief Executive Officer (CEO), requested to add “ARCTEC Discussion” in the Executive Session. No objections were made.

Director Crawford accepts the additions to the agenda.

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

III. PERSONS TO BE HEARD

- A. *Member Comments*
Mitchell Roth, a member, spoke before the Board regarding Renewable Energy and responded to questions from the Board.

IV. CONSENT AGENDA

- A. *Board Calendar*
- B. *Training and Conferences*
 1. *2018 NRECA Region 9 Meeting, September 25-27, 2018, Anchorage, AK (Deadline for conference registration is August 1, 2018)*
 2. *Director Winter School, November 30 – December 5, 2018, Nashville, TN (Deadline for conference and hotel registration is October 29, 2018)*
- C. *Minutes*
 1. *June 27, 2018, Regular Board of Directors’ Meeting (Portades)*
 2. *July 12, 2018, Special Board of Directors’ Meeting (Portades)*
- D. *Director Expenses*
- E. *Stoel Rives, LLP Task Order 4 Increase (Schulman)*

Director Morse moved and Director Crawford seconded the motion to approve the consent agenda.

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

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

V. CEO REPORTS AND CORRESPONDENCE

- A. *May 2018 Financial Statements and Variance Report (Harris/Curran)*

The May 2018 Financial Statements and Variance Report were provided in the meeting packet.

Lee Thibert, CEO, discussed the May 2018 Financial Statements and Variance Report.

Sherri Highers, Chief Financial Officer (CFO) and VP, Finance and Administration, responded to questions from the Board.

- B. *2nd Quarter 2018 Safety Report (Andrews)*
The 2nd Quarter 2018 Safety Report was provided in the meeting packet.
- C. *Write-Off Accounts Receivable – Electric/Other (Kurka/Miller)*
The Write-Off Accounts Receivable – Electric/Other was provided in the meeting packet.
- D. *Member Appreciation Day and National Drive Electric Week – Planning Update (Kurka/Miller)*
Kate Ayers, Member and Energy Programs Specialist discussed the Member Appreciation Day and National Drive Electric Week – Planning Update and responded to questions from the Board.

VI. DIRECTOR REPORTS

- A. *Alaska Railbelt Cooperative Transmission & Electric Company (ARCTEC) Report*
Lee Thibert, CEO, reported on the July 12 & 17, 2018 ARCTEC meetings. Mr. Thibert also stated that the upcoming ARCTEC meetings are scheduled for July 27, 2018 and August 8, 2018. Further discussion on the ARCTEC will be deferred in Executive Session.
- B. *Renewable Energy Alaska Project (REAP) Report*
Director Morse reported on the July 11, 2018, REAP – Future of Solar meeting and July 19, 2018, REAP House Party and Fundraiser.
- C. *Board Committee Reports (Audit and Finance, Operations & Governance)*
Director Morse reported on the July 11 & 25, 2018, Audit and Finance Committee meetings.

Director Parks reported on the June 25, 2018 and July 23, 2018, Operations Committee Meetings as well as the bi-weekly update on the ML&P Acquisition.

Chair Chastain stated that there was no Governance Committee meeting to report on. She also stated that with the amount of work needed, she would like for the Governance Committee to re-convene soon.

- D. *Other Meeting Reports*
Chair Chastain reported on the July 24, 2018 meeting with Crystal Enkvist of Alaska Power Association and deferred further discussion in Executive Session.

VII. UNFINISHED BUSINESS

None

VIII. NEW BUSINESS

A. ML&P – Financing for Potential Acquisition (Highers)*

Director Morse moved and Director Parks seconded the motion that the Board of Directors authorize the Chief Executive Officer to select and negotiate financing services associated with the potential acquisition of ML&P as discussed in executive session. The motion passed unanimously.

B. Pumped Storage (Risse)

Paul Risse, Sr. VP, Production and Engineering, thanked Mr. Roth, Ms. Smith and Mr. Williams for their interests in Renewable Energy.

Mr. Risse discussed the Pumped Storage and responded to questions from the Board.

C. Battle Creek (Risse)

Paul Risse, Sr. VP, Production and Engineering, discussed the Battle Creek and responded to questions from the Board.

IX. EXECUTIVE SESSION

A. Alaska Power Association (APA) Membership

B. Battle Creek Update

C. 2018 CEO Performance Scorecard and Project Specific Initiatives

D. On-Going Strategic Matters

1. Initiatives Under Consideration

2. Outstanding Risks to the Association

E. Discuss the Interviews of Applicants for Vacant Board of Director Position

At 7:08 p.m., Director Morse moved and Director Parks 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) discuss with its attorneys legal matters, the immediate knowledge of which could have an adverse effect on the legal position of the cooperative. The motion passed unanimously.

Director Henderson was not present at the time of vote.

The meeting reconvened in open session at 8:37 p.m.

X. NEW BUSINESS

*A. 2018 CEO Performance Scorecard and Project Specific Initiatives** (Board)*

Director Parks moved and Director Crawford seconded the motion that the Board of Directors approve the 2018 CEO Performance Scorecard and Project Specific Initiatives as discussed in the Executive Session. The motion passed unanimously.

B. *Appointment of New Board Member** (Board)*
Chair Chastain opened the floor to nominations of a new Board member.
Director Crawford nominated Matt Moore and Director Morse seconded the nomination.

Chair Chastain called for any nomination of new Board member.
Director Parks nominated Harold Hollis and Director Morse seconded the nomination.

No other nominations were made.

After discussion, Chair Chastain called for the vote on the two nominations.

For Harold Hollis:

Chastain – Yes
Crawford – No
Henderson – Abstained
Morse – Yes
Parks – Yes

For Matt Moore:

Chastain – No
Crawford – Yes
Henderson – Abstained
Morse – No
Parks – No

The result of the vote: Pursuant to Board Policy 603 and Article IV, Section 8 of Chugach's bylaws, the Board of Directors' appointed Harold Hollis, effective July 25, 2018, to fill the vacancy on the Chugach Board.

Matthew Clarkson, General Counsel, administered the oath of office to Harold Hollis, newly appointed Board member.

XI. DIRECTOR COMMENTS

Director comments were made at this time.

XI. ADJOURNMENT

At 9:03 p.m., Director Morse moved and Director Henderson seconded the motion to adjourn. The motion passed unanimously.

/ss/

Stuart Parks, Secretary

Date Approved: August 29, 2018