



c/o Matanuska Electric Association, Inc. Post Office Box 2929 Palmer, Alaska 99645 (907) 761-9212

MINUTES OF THE BOARD OF DIRECTORS MEETING  
February 11, 2013  
Frontier Building, JAA Room  
Anchorage, Alaska

**CALL TO ORDER** 10:03 a.m. (Chairman Reiser)

**ROLL CALL**

**MEMBERS PRESENT** Janet Reiser (Chugach); Joe Griffith (MEA); Cory Borgeson and Rick Schikora (GVEA); Janet Kincaid (MEA) and Willard Dunham (Seward) joined the meeting in progress.

**TELEPHONICALLY PRESENT** P.J. Hill, Harry Crawford and Sisi Cooper (Chugach); Dick Waisanen and Brad Janorschke (HEA); John Foutz (Seward)

**OTHERS PRESENT** Mark Johnson (Counsel); Paul Risse, Phil Steyer and Tyler Andrews (Chugach); Denali Daniels and Suzie Deuser (MEA); Kirk Warren (AEA); Bryan Carey (AIDEA); Anna Atchison (Kinross); David Glines (MEA) joined the meeting in progress.

**SAFETY MOMENT** (Reiser) Warned the roads are slippery.

**ACCEPTANCE OF AGENDA** (Hill/Schikora ) Motion to accept agenda CARRIED.

**APPROVAL OF MINUTES- January 9, 2013** (Griffith/ Borgeson) Motion to accept January 9, 2013, minutes CARRIED.

**APPROVAL OF MINUTES- January 21, 2013** (Griffith/ Borgeson) Motion to accept January 21, 2013, minutes CARRIED.

**APPROVAL OF MINUTES- January 25, 2013** (Griffith/ Borgeson) Motion to accept January 25, 2013, minutes CARRIED.

**REPORTS**

**A. Chairman's Report (Reiser)**

- Nothing to report.

## **B. CEO's Activity Report (Griffith)**

- Spent a week in Juneau.
- An ARCTEC booklet was prepared for distribution in Juneau.
- Planning a meeting with AEA to discuss transferring funds remaining from the northern intertie extension to a new project for the Healy segment.
- (Carey) Provided an update on Battle Creek Diversion project. In December, AEA had a probable cost estimate of \$52.3 million at an 80% design completion.
- (Carey) As of February 5, no comments were received from any conservation agencies. (Note: Lengthy comments were received from the U.S. Fish and Wildlife Service after closure of the comment period.)
- (Carey) AEA concludes the reduction in water levels will not interfere with the salmon runs.
- (Carey) No diversion will occur in the wintertime when the salmon eggs are present.
- (Carey) If funds are acquired, we expect diversion could begin in the fall of 2015.
- (Griffith) In response to the chair's request for an ARCTEC position on the LNG trucking model, I recommend more analysis is needed before a determination could be made.
- (Borgeson) Golden Valley is awaiting AIDEA's assessment of the project and recommends ARCTEC's endorsement if AIDEA comes forward with a viable project.
- (Warren) The financing package proposed is \$355 million (\$150 million from AIDEA bonds, \$125 million from AEA's Sustainable Energy Transmission and Supply, \$50 million grant and \$30 million from legislation for storage credits).
- (Warren) A letter was sent to the governor with AEA's recommendation.

## **C. Committee Reports**

### **1. Business Planning**

- No meeting and nothing to report.

### **2. Transmission/Hydro**

- (Griffith) Information to be presented under agenda item "2013 Legislative Agenda".

### **3. CEO Search (Borgeson)**

- Approximately 20 applications were received.
- Five candidates suggested for interview in executive session by the ARCTEC Board.
- (Andrews) Proposes the candidates be allowed a ten minutes presentation on their choice of five topics, Q&A time for the Board, and a couple of traditional interview questions.
- (Kincaid) Requests information on the selection process of the five candidates, and the proposed salary offered.
- (Borgeson) The candidates were advised it was a part-time consulting position with no benefits, no moving expenses, no office or staff provided, and a compensation of \$120,000-\$150,000.

## **UNFINISHED BUSINESS**

## **NEW BUSINESS**

### **A. Lobbying Schedule (Griffith)**

- Working with the CEOs and GMs to finalize a lobbying schedule.
- Will provide a booklet or trifold for distribution to the legislators.

## **B. Lobbying Talking Points**

### **1. 2013 Legislative Agenda**

- (Griffith/Janorschke) Moves the ARCTEC Board adopts the following as its priorities for the 2013 legislative session:
  1. Support the results of the AEA studies
  2. Support projects in the Governor's budget
    - \$95 million for Watana
    - \$13.7 million to begin to unlock Bradley Lake
  3. Support the Battle Creek diversion project
    - \$23.5 million would be the State's half under the Bradley model
    - Utilities would pay the debt service on the bonds to fund the other half
  4. Support the AEA list of "recommended" projects for funding from the Renewable Energy Grant fund.
    - \$25 million in the Governor's Budget
    - \$56 million needed to fund the recommend list
- After hearing discussion, the motion CARRIES unanimously.

## **BOARD MEMBER COMMENTS**

- (Hill) Comments that he is pleased with the progress of the CEO search, and commends Joe on his leadership of the organization.
- (Janorschke) Thanks Tyler and the Chugach staff for their help with the CEO interviews.

**NEXT MEETING:** Call of the chair.

**ADJOURNMENT:** (Griffith/Kincaid) Motion to adjourn at 11:50 a.m. CARRIED.