



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

MINUTES OF THE BOARD OF DIRECTORS MEETING
March 28, 2013
Frontier Building, JAA Room
Anchorage, Alaska

CALL TO ORDER 10:06 a.m. (Chairman Reiser)

ROLL CALL

MEMBERS PRESENT Janet Reiser and Brad Evans (Chugach); Joe Griffith and Janet Kincaid (MEA); Willard Dunham and John Foutz (Seward)

TELEPHONICALLY PRESENT Rick Schikora (GVEA); Ann Atchison (Kinross)

OTHERS PRESENT Robert Wilkinson and John Duhamel (CVEA) Jim Posey (ML&P) David Glines, Denali Daniels, Kevin Brown and Suzie Deuser (MEA) Brian Hickey, Harry Crawford, Phil Steyer and Tyler Andrews (Chugach), Mark Johnson (Counsel); Kirk Warren (AEA); Bryan Carey (AIDEA);

SAFETY MOMENT (Griffith) Roads are slick. (Posey) Wear your sun glasses because the snow reflects UV rays back into your eyes.

ACCEPTANCE OF AGENDA (Evans/ Griffith) Motion to accept agenda. Griffith adds to New Business a resolution to transfer monies and move item IX (C) and (D) to executive session. Motion to accept agenda CARRIED.

APPROVAL OF MINUTES- February 11, 2013 (Kincaid/Dunham) Motion to accept February 11, 2013, minutes CARRIED.

APPROVAL OF MINUTES- March 6, 2013 (Kincaid/Dunham) Motion to accept March 6, 2013, minutes CARRIED.

REPORTS

A. Chairman's Report (Reiser)

- Nothing to report.

B. CEO's Activity Report (Griffith)

- Working with AEA concerning north of Teeland intertie and unconstraining Bradley Lake.

- Attended APOC training.
- According to State law communication with government entities are limited to 10 hours before one is required to register as a lobbyist.
- Requests Kirk Warren to give an update on AEA projects underway. Warren provides a project update handout and a brief update on the projects.
- Requests letter of support from the utilities for unconstraining Bradley Lake.
- (Steyer) Stresses that the letters of support need to be attached to the CAPSIS by a pdf and sent to the sponsor Senator McGuire.

C. Committee Reports

1. Business Planning

- (Reiser) Suggests this committee will be working with the new CEO.

2. Transmission/Hydro (Evans)

- Discussions are underway for grid unification.
- Open Access language is expected to ready for the AEA deadline of 1 July 2013.

3. CEO Search (Andrews)

- Comments Seward has funding for the ARCTEC CEO as an agenda item for their next City Council meeting on April 8.
- Both candidates that are no longer being considered for the CEO position have been notified and thanked for their efforts.
- The remaining two candidates have been notified that the process is still ongoing, and both candidates are still interested in the position.
- After Seward's funding for the CEO is confirmed, the negotiations for the number one candidate will begin.

UNFINISHED BUSINESS

NEW BUSINESS

A. Fort Raymond Generation Project (Foutz)

- Provided handout.
- Phase one was completed in 2011 and included building a new facility and modernizing two generators.
- Phase two will be moving two generators currently on the grounds into the new facility and building a warehouse.
- Known shortage of funding is currently \$1.7 million, and amount requested is \$3 million.
- (Evans) Questions if there is value in rebidding and offers to help with a review of the bidding process.
- (Foutz) Requests a discussion of transferring any available monies.
- (Evans) Suggest a working group evaluate the possibility of a transfer of monies.

B. Copper Valley Rates (Copper Valley CEO, Wilkinson)

- Provided handout and brief presentation to the Board.
- January 2013 the cost per kWh for the Copper Valley basin was \$0.35.

- Request support on interconnecting the region with the Railbelt, as a part of the larger transmission network for Watana Dam.
- (Evans) Proposes that ARCTEC draft a resolution in support of an interconnection of the Copper Valley region to be incorporated in the planning of Watana.
- (Evans) Suggests that Copper Valley be offered an affiliate membership in ARCTEC.
- (Wilkinson) Believes the CVEA Board would support an affiliate membership, but he will confirm.
- (Evans) Will draft the resolution of support for the interconnection of Copper Valley into the Railbelt.

C. Homer Transmission Congestion Issue

- Moved to executive session.

D. Homer Withdrawal

- Moved to executive session.

E. REAP BCEA Discussion (Reiser)

- Received an invitation from the REAP Business of Clean Energy to participate on a panel.
- Requests talking points and ideas from the ARCTEC Board.
- (Griffith) Will prepare a talking paper.
- (Evans) Cautions that it will be difficult to represent ARCTEC without a consensus from the ARCTEC Board.

F. Resolution to Transfer Monies (Griffith)

- (Kincaid/Griffith) Moves to adopt Resolution 13-001 to transfer monies.
- (Evans) Questions Kirk Warren if AEA would have any problems with the resolution.
- (Warren) Responds it has been done in the past and helps reallocate appropriations.
- Motion CARRIED unanimously.

G. Hiring CEO

- (Griffith/Dunham) Motion to offer the CEO position to number one choice/number two candidate as identified in the March 6 meeting and to start work on May 1.
- Motion CARRIED unanimously.

BOARD MEMBER COMMENTS

- (Kincaid) Requests the drafted letter be sent to Homer concerning their withdrawal.
- (Dunham) Thanks for your consideration on our Fort Raymond generation upgrade.
- (Schikora) The letter of support for unconstraining Bradley Lake was sent on March 8 to Senator Meyer and Representative Stoltze.
- (Evans) Appreciates Copper Valley coming, appreciates the discussion, and looks forward to working with them in the future.

NEXT MEETING: Call of the chair.

ADJOURNMENT: (Evans/Dunham) Motion to adjourn at 12:15 p.m. CARRIED.