



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

MINUTES OF THE BOARD OF DIRECTORS MEETING  
July 25, 2013  
Alaska Power Association Board Room  
Anchorage, Alaska

**CALL TO ORDER** 10:00 a.m. (Chair Dunham)

**ROLL CALL**

**MEMBERS PRESENT** Willard Dunham (Seward); Brad Evans and David Gillespie (Chugach); Joe Griffith and Janet Kincaid (MEA); Cory Borgeson and Rick Schikora (GVEA)

**TELEPHONICALLY PRESENT** John Foutz (Seward); Robert Wilkinson (CVEA); Kaye Laughlin (MEA)

**OTHERS PRESENT** Jim Posey (ML&P); Brian Hickey, Tyler Andrews (Chugach); Mark Johnson (Counsel); Denali Daniels, Kevin Brown, and Suzie Deuser (MEA); Lisa Ross (Birch, Horton, Bittner & Cherot); Ben Pike and Mark Voccola (Energy Investors Funds); Lou Agi (ML&P) joined the meeting in progress.

**SAFETY MOMENT**

(Griffith) Reminded everyone to watch out for motorcycles.  
(Schikora) Encouraged attendees to wear a life vest when boating.  
(Posey) Informed attendees of a recent accident involving an individual falling off a ladder and making contact with an electrical wire. The appropriate gloves saved their life.

**A. ACCEPTANCE OF AGENDA** (Griffith/Kincaid) Following a correction on the agenda on item VIII D. to Resolution Reallocating Money for 115kV Rebuilt Project, motion to accept amended agenda CARRIED.

**APPROVAL OF MINUTES- June 4, 2013** (Kincaid/Griffith) Motion to accept March 28, 2013, minutes CARRIED.

**APPROVAL OF MINUTES- Annual Meeting June 4, 2013** (Kincaid/Dunham) Motion to accept Annual Meeting minutes of June 4, 2013, minutes CARRIED.

**REPORTS**

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

- Sent a letter to Sara Fisher-Goad advising resolutions 13-004 and 13-005 supporting transfer of funds.

- Attended the July 22 FERC licensing meeting and provided three handouts from that meeting.
- Advised ARCTEC members to provide input in the final application for FERC Battle Creek license.

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

- Refers the Board to the ARCTEC financial statements included in the Board packet.
- Invites Kirk Warren to provide an update on Bradley Lake and Battle Creek.
- Mr. Warren states that he is not prepared to speak on the topic.

#### **C. Committee Reports**

##### **1. Business Planning**

- (Evans) No report at this time.

##### **2. Transmission/Hydro (Evans)**

- At the last IMC meeting reliability standard were adopted which are the foundation for building the platform for open access.
- Notes the original vote of reliability standards failed due to AEA's dissenting vote. The agreement was then modified to add a provision for further review. AEA has hired a consultant to analyze.
- (Griffith) Compliments Evans on his work on the reliability standards and reserves.
- (Evans) Comments that there is still a lot of work to be done.
- (Borgeson) Remarks the intertie system is changing and requires enforceable rules.

##### **3. Energy Investors Fund (Ben Pike and Mark Voccola)**

- Handout of presentation was provided.

#### **UNFINISHED BUSINESS**

#### **B. Intertie and Transmission system**

- (Evans) Requests that Brian Hickey provide an update on RTO model.
- (Hickey) Compiling various agreements necessary for review for comments from the members of the Railbelt.

#### **C. Copper Valley Electric Association Affiliate Membership Discussion**

- (Wilkinson) Remarks that the Copper Valley Electric Board of Directors is interested in learning more about the affiliate membership.
- (Johnson) Informs the Board that the "Members" only have the authority to revise the bylaws.
- (Griffith) Inquires if ARCTEC Board members or the individual utilities are the "Members".
- (Johnson) Responds the individual utilities are currently represented by four "Members".
- (Johnson) States a bylaw change requires a posting of a special meeting and notice of the bylaw change as an agenda item.
- (Evans) Suggests a meeting with Copper Valley to discuss the requirements.
- (Johnson) Proposes the following consideration:

Section 10. Associate Membership. Any entity that meets the requirements for membership in Section 1 of this Article but is not currently interconnected with another similar organization in the Railbelt may become a non-voting Associate Member of the organization upon approval of the Board of Directors. An entity seeking Associate Member status under this Section must have the intention to become interconnected with another similar organization in the Railbelt. Associate Members shall pay a reduced

membership fee, as determined by the Board of Directors, and shall be entitled to appoint one representative to the Board of Directors to serve in an ex-officio, non-voting capacity.

- (Dunham) Johnson will send the draft bylaw to Wilkinson.
- (Griffith/Evans) Motion to table until the next meeting CARRIED.

**D. Reallocation Money for Seward Generation**

- (Evans) Homer voices an unwillingness to transfer the funds advising they have firm plans of spending the funds.
- (Evans) Express disappointment with the progress of the project by Homer and declared it unacceptable.
- (Warren) States it is not a condition of a grant for the utility to report the estimated cost to completion.
- (Evans) Inquires of Warren if the scope of the work and funds are being monitored by AEA.
- (Warren) Confirms that AEA is monitoring.
- (Warren) Offers to facilitate a discussion between the interested parties.

**E. Resolution Reallocating Money for 115kV Rebuilt Project**

- (Griffith/Kincaid) Motion to accept the resolution for reallocating money for the 115kV rebuilt project CARRIED unanimously.

**NEW BUSINESS**

**A. RCA filing for Railbelt Reliability and Reserves Criteria**

- (Evans) Currently one utility is not voluntarily abiding by the excepted reserves criteria.
- (Griffith) Drafted the first RCA filing and will be distributing to everyone for comment.

**EXECUTIVE SESSION**

- (Kincaid/Griffith) Motion to go into executive session on matters that might affect the financial matters of the cooperative, specifically hiring a CEO.

**DISCUSSION ITEMS AND BOARD MEMBER COMMENTS**

- (Evans) Announces Sherri McKay-Highers was appointed Chief Financial Officer and Vice President, Finance and Administration for Chugach.
- (Griffith) Applauds Evans for giving Ms. McKay-Highers the position.
- (Dunham) Offers to facilitate a North Slope gas development and marketing presentation by Frank Murkowski to the ARCTEC Board.
- (Foutz) Asks if in the future someone could provide a presentation on the Obama Green House Gases Plan, and how it will affect the utilities.
- (Kincaid) Offers to arrange a meet with the Governor.

**NEXT MEETING:** August 29, 2013

**ADJOURNMENT:** (Evans/Kincaid) Motion to adjourn at 12:36 p.m. CARRIED.