



**MINUTES OF THE BOARD OF DIRECTORS MEETING**  
January 17, 2012  
Frontier Building, 3<sup>rd</sup> Floor Conference Room  
Anchorage, Alaska

**CALL TO ORDER** 10:00 a.m. (Chairman Schikora)

**ROLL CALL**  
**MEMBERS PRESENT** Rick Schikora and Brian Newton (GVEA); Bradley Evans and Doug Robbins (Chugach); Joe Griffith and Janet Kincaid (MEA); Brad Janorschke and Deb Debnam (Homer); Willard Dunham (City of Seward)

**TELEPHONICALLY**  
**PRESENT** John Foutz (City of Seward)

**OTHERS PRESENT** Jim Strandberg, Brian Carey, and Kirk Warren (AEA); Mark Johnson, Janet Reiser, and Phil Steyer (Chugach); Steve Haagenson, Brenda Holder, Tom Lovas (Consultants), Jim Posey (ML&P); Pattie Worrell (MEA)

**SAFETY MOMENT** Mr. Griffith cautioned those present against clearing snow from a roof without a harness. He further stated he had fallen from his barn roof and landed head-first in a snow bank.

Mr. Griffith also shared a picture of an extension cord on which the plug and wires were charred. Lesson – don't overload extension circuits.

**ACCEPTANCE OF AGENDA** – (Evans) Amend by adding PAD Meeting Update as New Business Item F. Chairman Schikora and President Griffith stated Items D Rural Utilities Service (RUS) Funding of ARCTEC Projects, E Railbelt System Security and Shared Inventory Management Plan, F Sponsor/home for Railbelt Reliability Committee (RRC), and G Sponsor/home for Railbelt Utilities Group (RUG) would follow Strategic Planning/Executive Session. Newton/Evans: motion to accept agenda as modified. **CARRIED.**

**APPROVAL OF MINUTES – December 16, 2011**

Evans Amend AEA Report (bullet #4) as follows: ... that ARCTEC should form group to provide input on ~~Watana but that an operation/implementation study should precede formation of a technical group~~ for Watana. Kincaid/Evans: motion to accept December 16, 2011, minutes as amended. **CARRIED.**

## REPORTS

### A. Chairman's Report (Schikora)

- Has been looking forward to today's meeting to determine how ARCTEC will proceed.
- Believe ARCTEC is on the right track.

### B. Financial Update (Griffith)

- Directed attention of those present to letter sent to legislators and Governor signed by Chairman Schikora (copies mailed to ARCTEC Directors).
- Received first invoice from Steve Haagenson.
- Financial Update included in packet.

### C. Status of FY 2012 Capital Projects (Griffith)

- Power Point Presentation by Steve Haagenson

### D. FY 2013 Capital Grant Request (Haagenson)

- If you have a certificated service area, you're in; if not, you're out.
- AEA will accept utilities' assistance in drafting language.

### E. AEA Update (Strandberg)

- Grant language – AEA will draft initiative and work with utilities and the RCA.
- AEA's goal is to limit exposure to utilities.
- AEA will host meeting with utilities.
- R&R fund's goal is sustainability.
- Managers to meet regarding Sterling project and make recommendations to AEA.
- SEC projects and other info-gathering projects assigned to Kirk Warren (AEA), formerly of Enstar.
- Definition of Railbelt backbone synthesized with utilities' help. Backbone is for benefit of all ratepayers in Railbelt.
- Decisions still to be made regarding Bradley Access; plan needs technical interface now.
- Reappropriation of Teeland/Douglas \$6M available July 1
  - Requires update of RIRP
  - Transmission system upgrade
  - Watana = separate matter
- Key is to have a focused group of projects to present.

### F. PAD Update (Evans)

- Document went to FERC at end of 2011. Due to time constraints, utilities had no input.
- Utilities must be involved in development, operation and implementation
  - Need assurance things can be changed.
  - What is the commitment from utilities?
  - If less than 200 mW average capacity, project will have a fatal flaw.
- Evans to summarize in writing for ARCTEC directors and alternates.

## **UNFINISHED BUSINESS**

### **Creation of a "Utility Technical Advisory Group" for AEA.**

Janorschke/Newton: motion to adopt Resolution 12-002 creating a Technical Advisory Group chaired by the President and made up of persons identified from each member utility that will provide necessary technical support to ARCTEC, AEA and other parties/entities that require such. Further, that necessary staff support will be provided by the President.

Newton/Dunham: motion to amend by striking "chaired by the President." Discussion; no objection. Motion to amend CARRIED. Main motion – adopt Resolution 12-002 Technical Advisory Group as amended. No objection, motion CARRIED.

## **NEW BUSINESS**

### **A. Annual Meeting**

- March 1, 2012
- Call to Order - 10:00 a.m.
- Frontier Building, Room 336

### **B. Annual Audit**

- Moss Adams to conduct audit.
- Griffith to make arrangements.

### **C. Election of Officers**

- Per Chairman Schikora, election will immediately follow Annual Meeting.

## **STRATEGIC PLANNING**

### **Presentations by Consultants**

- 1) Tom Lovas – G&T Structure and Significance
- 2) Brenda Holden (Information Insights) – Vision, Mission, Objectives, SWOT Exercises

## **EXECUTIVE SESSION – LEGAL AND FINANCIAL DISCUSSION**

- Recess – 2:05 p.m.
- Reconvene – 3:31 p.m.

## **NEW BUSINESS (CONT'D)**

### **D. Rural Utilities Service (RUS) Funding of ARCTEC Projects**

- As a G&T, ARCTEC would be eligible for RUS funding
- ARCTEC needs to have a way to repay

### **E. Railbelt System Security and Shared Inventory Management Plan**

Kincaid/Evans: motion to adopt Resolution No. 12-005 System Security and Inventory Plan. Discussion, no objection. CARRIED.

**F. Sponsor/home for Railbelt Reliability Committee (RRC)**

- Rolled into Item G (below)

**G. Sponsor/home for Railbelt Utilities Group (RUG)**

Newton/Kincaid: motion to direct the Railbelt Managers to prepare a study and analysis of the viability of incorporating the Railbelt Utilities Group (RUG), the Intertie Management Committee (IMC), the Railbelt Reliability Committee (RRC), Bradley Lake Project Management Committee (BPMC), and their agreements and processes/procedures into ARCTEC.

BE IT FURTHER RESOLVED THAT said study with recommendations is to be available for Board consideration by September 1, 2012.

Discussion. No objection. CARRIED.

**H. Intertie Management Committee (IMC) Integration Study**

- Rolled into Item G (above)

**I. Watana Systems Integration Committee**

Kincaid/Dunham: motion to hereby create the *Watana Systems Integration Committee* made up of all ARCTEC member GMs/CEOs to offer its services to Alaska Energy Authority's Watana project team to ensure proper and appropriate integration of the project into the Railbelt interconnected system.

BE IT FURTHER RESOLVED THAT this committee is responsible to the ARCTEC Board of Directors, may elect a chairman to serve at the will of the group and that the ARCTEC President shall provide necessary staff support as required by the committee.

Discussion. No objection. CARRIED.

**DISCUSSION ITEMS**

Brenda Holden – closing comments and wrap-up.

President's Requests:

Support HB 32.

Furie (formerly Buccaneer) has requested a letter of support from ARCTEC utilities for extension.

Chairman's Request: Send invoice and resolutions.

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

**ADJOURNMENT:** 4:05 p.m.