



MINUTES OF THE BOARD OF DIRECTORS MEETING  
March 1, 2012  
Frontier Building, 3<sup>rd</sup> Floor Conference Room  
Anchorage, Alaska

**CALL TO ORDER** 11:05 (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 (Homer Electric); Willard Dunham and John Foutz (City of Seward)

**TELEPHONICALLY PRESENT**

Deb Debnam (Homer Electric)

**OTHERS PRESENT**

Mark Johnson (Counsel) Jim Strandberg (AEA), Steve Haagenson, Jim Nordland, Harry Crawford, and Lee Thiebert (Chugach) David Glines, Cheryl Heinze, Wes Lindsey and Suzie Deuser (MEA)

**SAFETY MOMENT**

Mr. Griffith advised attendees if you have to leave take the stairs, and asked if everyone knows where the stairs are located. The roads in Anchorage are icy, and the moose are out there.

**ACCEPTANCE OF AGENDA** (Schikora) Only change of agenda is item B, number VIII "Bylaw change, Article III, Section 3; Article VI, Section 1 and Section 6" to "Election of Officers" (Griffith/Newton): motion to accept revised agenda. CARRIED.

**APPROVAL OF MINUTES – January 17, 2012** (Kincaid/Foutz): motion to accept January 17, 2012, minutes. CARRIED.

**REPORTS**

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

- Report ARCTEC presentation with the legislatures at the APA conference.
- Golden Valley and DNR meeting.

**B. President's Activity Report (Griffith)**

- Visited legislators during APA conference and passed out 2013 capital grant request.

**C. Financial Update (Griffith)**

- A financial update was sent out to members.
- Additional spending approximately \$5,000 in consultant fees with a remaining balance of approximately \$40,000.
- Rent still owed for upstairs room and a payment will be sent.

**D. Status of FY 2012 Capital Projects (Haagenson)**

- Power Point mailed out of projects in process.
- Legislature was told every project is in motion for FY2012 funded projects.
- Completion timelines vary, and will mail out updates of projects appropriately.

**E. 2013 Capital Funding Request Status and Update (Griffith)**

- LNG for a \$5 million grant request met with strong opposition in Juneau.
- Griffith will follow up with Juneau on Marathon's ownership of CIGGS line.

(Griffith/Newton): motion to withdraw \$5 million for LNG regas options. CARRIED

**F. AEA Update (Strandberg)**

- Kenai Load-Flow Study status update
- (Griffith)ARCTEC's recommendation is for AEA to endorse a permitting study to evaluate a short-term LNG option for Cook Inlet.
- (Strandberg) AEA will have 3 transmission studies; Bradley Lake Access, South Central Backbone Definition, Renewable Energy Regulation. Those results will be put into a region-wide transmission upgrade plan.
- (Evans) Suggested AEA will be the glue to integrate the Watana project with the co-ops ability to handle the project.

**UNFINISHED BUSINESS**

**A. Approval of ARCTEC strategic plan summary report**

(Griffith/Janorschke ) motion to approve the ARCTEC strategic plan summary report. CARRIED

**B. ARCTEC SWOT analysis**

(Griffith) Remove the word "confidential" and encourage members to share with their Board of Directors. No objection was heard.

**NEW BUSINESS**

**A. Sterling Ringbus Resolution 12-006**

(Evans/Griffith): motion to approve the Sterling Ringbus Resolution 12-006. CARRIED

**B. Election of Officers**

- Doug Robbins is resigning and Janet Reiser will be his replacement.
- Chairman (Kincaid/Griffith) nominate Rick Schikora. (Janorschke/Evans ) nominate Janet Reiser. (Janorschke/Robbins): motion to close the nominations. CARRIED. Janet Reiser elected by majority votes.

- Vice Chair (Evans/Foutz) nominate Deb Debnam. (Griffith/Kincaid) nominate Rick Schikora. (Janorschke/Evans) nominate Brian Newton. Hearing no other nominations the nominations were closed. No majority and a second vote held between Rick Schikora and Deb Debnam. Rick Schikora elected by majority vote.
- Secretary (Janorschke/Robbins) nominate Willard Dunham. (Griffith) As a point of order, could there be a problem with the nomination of Mr. Dunham who is certified by the City of Seward, but not a member of the City Council as representative? (Counsel) Hearing no dispute with the members, I will rule he is a valid nominee.  
(Janorschke/Griffith): motion to close nominations. CARRIED. Willard Dunham elected as secretary.
- Treasurer (Janorschke/Griffith) nominate Janet Kincaid. (Foutz/Griffith): motion to close nominations. CARRIED. Janet Kincaid elected as treasurer by majority votes.

**C. Business plan proposal (Haagenson)**

- Vision, Mission, and Objectives was previously approved.
- Identify how ARCTEC can make money or cut cost.
- Provide the services required by all members.
- Benefit-to-cost analysis for all projects.
- Marketing plan- work with the utilities to provide the services they want.
- What assets could ARCTEC own or manage?
- AEA currently finances planning for all ARCTEC projects. How will ARCTEC finance in the future?
- Federal tax status- application was made for tax exempt status with the federal government.
- Property tax- ARCTEC may want the attorney to look into status.
- Distribution of capital credits needs to be determined.
- Need to establish a revenue fund within 2 years.
- ARCTEC could become the bank with revolving loan funds for future projects when grants tighten up.
- Replacement of SB 25 & HB 357 with a valuable alternative for the coops.
- (Griffith) Look at the business plan proposal and draft a business plan. Steve and Joe will write up a suggested change for SB 25.

**DISCUSSION ITEMS**

**A. Plan to incorporate IMC, RRC, RUG, inter alia under ARCTEC umbrella.**

**Point of order-** Mr. Griffith is now CEO.

**B. Future activities-** Watana is having series of public hearings sponsored by FERC.

- (Evans) ARCTEC needs to coordinate with Watana project. Problems are 200 MW units, and if the project can be regulated by other Railbelt generation. Input of the utilities is needed before the project gets too far along.
- (Dunham) Support movement of the largest CDQ fishing fleet moving out of Seattle to Alaska. Appreciate the backing of these bills.
- (Kincaid) Would like to see administrative cost to be included in the energy rebate bills.
- (Counsel) Will send out a copy of the bylaw amendment for review.

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

**ADJOURNMENT:** 2:48 p.m.