



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

MINUTES OF THE BOARD OF DIRECTORS MEETING
August 24, 2012
Frontier Building, 3rd Floor Conference Room
Anchorage, Alaska

CALL TO ORDER 10:30 a.m. (Chairman Reiser)

ROLL CALL
MEMBERS PRESENT Bradley Evans and Janet Reiser (Chugach); Brad Janorschke and Dick Waisanen (Homer Electric); Willard Dunham (City of Seward); Joe Griffith and Janet Kincaid (MEA); Rick Schikora (GVEA)

TELEPHONICALLY PRESENT John Foutz (City of Seward); Dave Carey and Mike Wiley (HEA)

OTHERS PRESENT Mark Johnson (Counsel) and Harry Crawford (Chugach); David Glines, Kevin Brown, Denali Daniels and Suzie Deuser (MEA); Steve Haagenson (ARCTEC Consultant); Jim Strandberg (AIDEA) and Bryan Carey, Dave Burlingame and Gene Therriault (AEA); Brian Bjorkquist (Department of Law); Jim Posey (MLP)

SAFETY MOMENT (Griffith) School is back in session; therefore, use caution and be watching for the kids.

ACCEPTANCE OF AGENDA (Dunham/ Waisanen) Motion to accept agenda. (Evans) Motion to amend the agenda to add following New Business an executive session to discuss CEO search. Hearing no objection the motion **CARRIED**.

APPROVAL OF MINUTES – July 20, 2012 (Evans/ Dunham): Motion to accept July 20, 2012, minutes. **CARRIED**.

REPORTS

A. Chairman's Report (Reiser)

- Nothing to report.

B. President's Activity Report (Griffith)

- Reviewing studies AEA has provided.
- Meeting with ARCTEC members on AEA studies.

C. Financial Update (Griffith)

- Invoices for \$25,000 contribution will be sent to all members.

- Payment has been received from Chugach.
- \$8,500 payment for JAA room is pending receiving contributions.
- Contributions should fund the remainder of 2012.

D. Project Status

- Projects are on schedule.

E. Committee Reports

Business Planning (Reiser)

- Meeting to be scheduled.

Transmission/Hydro Committee (Evans)

- Will give the allotted time to guest present.

CEO Search Committee (Evans)

- Handout provided, and discussion was deferred to executive session.

F. D&O Insurance Policy (Griffith)

- Insurance policy is renewed with a nominal increase in premium.

UNFINISHED BUSINESS

- None

NEW BUSINESS

A. IRS Filing

- MEA's attorney has filed.

B. North Slope Generation Concept

- HVDC Transmission Fundamentals and its Relevance to Alaska (Presentation to MEA on Tuesday July 10, 2012) was circulated.
- (Griffith) Funding for the HVDC project could be in conflict with Watana and Battle Creek diversion.
- (Evans) The entire proposal needs additional study, and the concept engineering has not been completed.
- (Therriault) Suggests point paper discussing what the utility systems would need to integrate such a line .
- (Evans) Stated a point paper on the topic has been drafted and will be circulated.
- (Strandberg) Would like to meet with Griffith and Evans to identify the needs of the transmission system and get an understanding of what are the needs of the network.
- (Evans) This type of project needs to go to AEA for analysis.

C. Open Access Transmission

- (Evans) Language is being developed to define "Open Access". The Transmission Committee will write the current language to incorporate the entire Alaska Railbelt.

D. AEA Regulation Resource Study

- Dave Burlingame presented, and a copy of the presentation was distributed.

E. AEA Railbelt Project List/Preliminary Benefit Analysis

- Dave Burlingame presented, and a copy of the presentation was distributed.
- (Strandberg) At the RUG meeting on August 23, Dave Burlingame was assigned doing additional work on a prioritization list of projects from a technical point of view.

F. CEO Search

- (Evans/Janorschke) Motion to go into executive session for discussion of the CEO search. Hearing no objection, the motion CARRIED.
- 1:30 p.m. Returned from executive session.
- (Schikora/Janorschke) Motion for the CEO Search Committee to advertise, conduct the initial screening interviews for the ARCTEC CEO position, and bring the final candidates to the full Board for screening and approval as soon as possible. Hearing no objection, the motion CARRIED

G. State FY2014 Grant Requests

- (Evans) Suggests ARCTEC wait for Burlingame's prioritization list of projects from a technical point of view.
- (Schikora) Suggests first five lines and Battle Creek be presented to the state for funding.
- (Evans) \$8 million needed for study of Cook Inlet Gas supply security.
- (Evans) Motion to postpone the grant requests resolutions until Friday, August 31.

DISCUSSION ITEMS AND BOARD COMMENTS

NEXT MEETING: 1:00 p.m. Friday, August 31

ADJOURNMENT: 2:00 p.m.