

ARCTEC

ALASKA RAILBELT COOPERATIVE TRANSMISSION & ELECTRIC COMPANY

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

VI

MINUTES OF THE BOARD OF DIRECTORS MEETING August 31, 2012 Telephonic Meeting

CALL TO ORDER 1:03 p.m. (Chairman Reiser)

**ROLL CALL
TELEPHONICALLY**

Bradley Evans and Janet Reiser (Chugach); Brad Janorschke and Dick Waisanen (Homer Electric); John Foutz and Willard Dunham (City of Seward); Joe Griffith and Janet Kincaid (MEA); Cory Borgeson and Rick Schikora (GVEA)

**OTHERS
TELEPHONICALLY
PRESENT**

Mark Johnson (Counsel), Susan Reeves, Brian Hickey, Lee Thibert, and Harry Crawford (Chugach); David Glines, Lois Lester, Kevin Brown, Denali Daniels, and Suzie Deuser (MEA); Dave Carey (HEA); Jim Strandberg (AIDEA); Bryan Carey and Gene Therriault (AEA)

UNFINISHED BUSINESS

- (Evans) Briefing for the Board of the proposed resolutions.
- A. Resolution, Railbelt Transmission Operator 12-007**
 - (Griffith) Suggests moving item "A. Resolution, Railbelt Transmission Operator to the last item on the agenda.
- B. Project cash flow requirements (State grant request)**
 - (Griffith) Refers Board members to the document Capital Budget request 5 yr. plan.
 - (Griffith) Requests to hear of Golden Valley's desires for north of Lake Lorraine, and specifically is it in conflict with the needs of Golden Valley?
 - (Borgeson) Feels inclusion of these projects is important for transmission intertie to the south, to support firm power contracts from the south, Golden Valley's service area economic development, and our participation in the Watana project.
 - (Griffith/Evans) Motion: The project cash flow requirement titled "Capital Budget request 5 year plan 08/28/12" be adopted by the Board.
 - (Waisanen) Last meeting on August 24, we discussed getting priorities from AEA.
 - (Evans) No prioritization list or natural cash flow feedback from the state or EPS.
 - (Standberg) Brad Evans is correct we have not received any feedback from Mr. Burlingame.
 - (Griffith) There is a natural prioritization for the southern portion first and the northern portion as soon as possible thereafter.
 - (Reeves) Does the ARCTEC Board have the authorization from their utility's Board to approve?
 - (Janorschke) Is ARCTEC asking for the full \$82.7 million for next year?
 - (Evans) Suggests you put the entire amount before legislature.
 - (Crawford) The legislature needs to know the total project cost.

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.