

**GOLDEN VALLEY ELECTRIC ASSOCIATION, INC.  
BOARD OF DIRECTORS'  
MEETING MINUTES**

**June 29, 2021  
Fairbanks, Alaska**

	<p>The Regular Meeting of the Board of Directors of Golden Valley Electric Association, Inc. was held on June 29, 2021 in the Employee/Board Meeting Room located in the Operations Building. Due to the on-going concern for COVID, members and guests attend the meeting electronically.</p>
<b>PRESENT</b>	<p><b><u>Directors:</u></b> Tom DeLong, Chairman; John Sloan, Vice Chairman (<i>electronically</i>); Dave Messier, Treasurer; Gary Newman, Secretary; Chris Bunch; Rick Solie (<i>electronically for executive session</i>) and Brad Benson.</p> <p><b><u>Staff:</u></b> John Burns, President &amp; CEO; Ron Woolf, Chief Finance Officer; Frank Perkins, Vice President Power Supply; Abby Dillard, Director of Member Services; Reagan Russell, Director of Human Resources; Naomi Morton Knight, Acting Director of Engineering; Meadow Bailey, Director of External Affairs/Public Relations; Josh Davis, Director of Operations; Pete Sarauer, Power Systems Manager (<i>electronically</i>); John Kelly, Gas Turbine Plant Manager (<i>electronically</i>); Sarah Villalon, Controller; Kathryn Strle, Treasury Manager; Dan Bishop, Manager of Engineering Services (<i>electronically</i>); Keith Palchikoff, Grid Modernization Manager (<i>electronically</i>); Nathan Minnema, Senior Engineer; Daniel Heckman, Regulatory Analyst and Susan Redlin, Executive Administrative Assistant.</p> <p><b><u>Members:</u></b> District 2: Andrew McDonnell. District 4: Jim Schwarber. District 7: Todd Adams and Katherine Hennigan.</p> <p><b><u>Guests:</u></b> Mark LaFon, Field Representative, IUOE, Local 302.</p>
<b>CALL TO ORDER</b>	<p>Chairman DeLong called the meeting to order at 4:30 p.m.</p>
<b>DIRECTOR-RELATED ACTIONS</b>	<p><b>Accept District 4 and 7 Election Results</b> Mr. Messier moved to accept the District 4 and 7 election results. Mr. Bunch seconded the motion. The motion passed.</p>

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<b>DIRECTOR-RELATED ACTIONS (Continued)</b>	<b>Seating of Director</b> Chairman DeLong administered the oath of office to re-elected director Newman.
<b>EXECUTIVE SESSION</b>	At 4:38 p.m., without objection, the board convened into executive session to discuss certain legal, financial and personnel issues (IT Update; Depreciation Study; Review the Proposed International Union of Operating Engineers (IUOE) Local 302 Agreement; Affirmative Action Report; COVID-19 Update; May 2021 Power Supply Report and Attorneys' Reports), the immediate knowledge of which could have an adverse impacts on GVEA.  During the IT Update, staff members Burns, Woolf and Redlin were present. At 5:15 p.m., remaining GVEA staff members joined the meeting.  At 6:27 p.m. without objection, the board came out of executive session.
<b>BREAK</b>	At 6:28 p.m., Chairman DeLong declared a five minute break.
<b>OPEN SESSION</b>	At 6:33 p.m., the board convened into open session; members and a guest joined the meeting electronically.
<b>SAFETY MOMENT</b>	Mr. Newman spoke about the importance of clearly labeling switch controls on circuit breakers.
<b>EVA CREEK WIND FARM 2021 PERFORMANCE UPDATE</b>	Mr. Perkins gave a presentation on the Eva Creek Wind Farm during which he shared the Wind Farm's performance challenges in 2020, the accomplishments since GVEA took over operational and maintenance responsibility, and the 2021 monthly capacity/generation through May 2021. The board asked several questions which Mr. Perkins answered.
<b>DEMAND SIDE MANAGEMENT AND DISTRIBUTED GENERATION PRESENTATION</b>	Mr. Minnema gave a presentation on Demand Side Management (DSM) and Distributed Generation (DG) in which he outlined opportunities and GVEA's priorities as it evaluates and pursues a DSM/DG strategy. The board asked questions regarding the presentation, which Mr. Minnema answered.

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<b>MEMBER COMMENTS</b>	Mr. Schwarber commented that he is very grateful that GVEA is so forward-looking and committed to the well-being of the communities it serves.
<b>APPROVAL OF THE AGENDA AND ADOPTION OF THE CONSENT AGENDA</b>	<p>Mr. Newman moved to approve the Agenda and adopt the Consent Agenda. Mr. Messier seconded the motion. The motion passed. The Consent Agenda included:</p> <ul style="list-style-type: none"> <li>• Review of the Safety Compliance Officers May 2021 Report.</li> <li>• Approval of the May 18, 2021 Special Board Meeting Minutes.</li> <li>• Approval of the May 25, 2021 Regular Board Meeting Minutes.</li> <li>• Approval of Resolution No. 110-21: Authorizing the Board Secretary to Execute the Master Business Depository Certificate.</li> <li>• Review of Banking Agreements.</li> </ul>
<b>FAR RECOMMENDATION: APPROVE RESOLUTION NO. 109-21: ACCEPTING THE DEPRECIATION STUDY</b>	<p>As Chairman of the Finance, Audit &amp; Rate Committee, Mr. Messier recommended the approval of Resolution No. 109-21 as recommended by staff:</p> <p style="padding-left: 40px;"><b>WHEREAS</b>, the purpose of a depreciation study is to review the actual history and experience of a utility's operating facilities to determine whether the depreciation rates that the utility is using for its books and records are set appropriately to match the reasonably estimated future useful life of those facilities; and</p> <p style="padding-left: 40px;"><b>WHEREAS</b>, a depreciation study is also used to ensure that rates set by the utility are appropriate to recover the utilities total remaining undepreciated investment in those same facilities; and</p> <p style="padding-left: 40px;"><b>WHEREAS</b>, depreciation expense is a material cost of business that is appropriately recovered through a regulated utility's rates and for that reason it is prudent business practice for a utility to periodically review the estimated useful remaining life of its facilities; and</p> <p style="padding-left: 40px;"><b>WHEREAS</b>, GVEA previously performed a depreciation study in 2015, based on the electric plant then in service as of December 31, 2014; and</p> <p style="padding-left: 40px;"><b>WHEREAS</b>, in approving GVEA's 2015 depreciation study, the RCA ordered GVEA to file its next depreciation study by July 1, 2021, based on the electric plant in service as of December 31, 2020 and inclusion of the anticipated net salvage costs associated with retiring GVEA's various generation units; and</p>

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<p><b>FAR RECOMMENDATION: APPROVE RESOLUTION NO. 109-21: ACCEPTING THE DEPRECIATION STUDY (Continued)</b></p>	<p><b>WHEREAS</b>, GVEA retained the services of Alliance Consulting Group to perform the depreciation study which was thereafter reviewed by GVEA’s staff and the GVEA Board’s Finance, Audit and Rate Committee; and</p> <p><b>WHEREAS</b>, GVEA’s Board of Directors has reviewed the depreciation study and accompanying financial analysis completed by GVEA staff, which indicates that a change in the annual depreciation accrual has minimal impact to GVEA’s financial stability, its revenue requirement, or to GVEA’s ability to meet its target operating times interest earning ratio.</p> <p><b>NOW THEREFORE, BE IT RESOLVED</b>, that the Board of Directors of the Association hereby accepts the 2021 Depreciation Study as prepared by Alliance Consulting Group on behalf of GVEA and hereby directs that GVEA’s management submit the depreciation study to the RCA and, if appropriate, the RUS in compliance with previous direction provided by the RCA.</p> <p>Following discussion, the motion passed.</p>
<p><b>APPROVE THE IUOE COLLECTIVE BARGAINING AGREEMENT</b></p>	<p>Mr. Newman moved to approve a four year Collective Bargaining Agreement with the IUOE consistent with the amendments discussed in executive session and the integration of a rolling three year Consumer Price Index (CPI) adjustment. Mr. Bunch seconded the motion. The motion passed.</p>
<p><b>REVIEW THE AFFIRMATIVE ACTION REPORT</b></p>	<p>Mr. Sloan moved to let the record reflect that the board reviewed the Affirmative Action Report. Mr. Messier seconded the motion. The motion passed.</p>
<p><b>ON-GOING REPORTS</b></p>	<p><b>NRECA DIRECTOR ADVISORY GROUP</b> – Mr. Newman reported that the NRECA Director Advisory Group is composed of 20-plus members from across the nation. The group meets virtually once a quarter, and then at the NRECA Directors’ Conference. At the beginning of each year, the group identifies a project for the year. Last year, the group developed a template for a director job description. This year, the group is working on board compensation.</p>

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<p><b>MANAGEMENT REPORTS</b></p>	<p><b>SNAP SUMMARY</b> – The May 2021 SNAP Summary was included in the board packet.</p> <p><b>FINANCIAL REPORTS/FORM 7</b> – The May 2021 Form 7 was included in the board packet.</p> <p><b>PROGRESS REPORTS</b> – The board asked questions regarding progress reports included in the board packet which Mr. Burns and staff answered.</p>
<p><b>DIRECTOR COMMENTS</b></p>	<p>Mr. Sloan congratulated Ms. Redlin on her spotlight in the June 2021 Ruralite Magazine.</p> <p>Mr. Bunch thanked staff for the comprehensive information that was provided in the board packet.</p> <p>Mr. Messier thanked staff for their time in answering his questions prior to the board meeting. He said it's great to see the Electric Reliability Organization (ERO) progressing.</p> <p>Mr. Solie said he is impressed with the depth of information, understanding and technical data that staff provides to the board as they analyze and contemplate legacy decisions.</p> <p>Mr. Benson said he also appreciates the information that staff provides to the board. He also commented on the significant scope of work that is being undertaken to close the Healy Ash Ponds.</p> <p>Mr. Newman echoed kudos to staff for the information they provide to the board. He expressed his appreciation for being re-elected to the board. He spoke about messaging the causes for significant outages, and dialoguing and engaging with the membership.</p> <p>Mr. DeLong commented that one of the key features of a cooperative is that it is democratically controlled. He referenced the recent director elections in Districts 4 and 7. Following, he presented director Newman with a NRECA Certificate of Achievement in recognition of having successfully completed the Board Leadership Program. Mr. DeLong congratulated Mr. Newman. Mr. Newman remarked that he appreciates the educational opportunities.</p>

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<b>ADJOURNMENT</b>	At 8:05 p.m., Mr. Newman moved to adjourn the meeting. Mr. Solie seconded the motion. The motion passed.
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7-27-2021  
**Tom DeLong, Chairman**

  
**Gary Newman, Secretary**

  
**Susan Redlin, Recording Secretary**