

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

**October 26, 2021
Fairbanks, Alaska**

	<p>The Regular Meeting of the Board of Directors of Golden Valley Electric Association, Inc. was held on October 26, 2021 in the Employee/Board Meeting Room located in the Operations Building. Due to the on-going concerns related to COVID, members/contractors were asked to attend the meeting virtually, as were any GVEA staff who had not been vaccinated.</p>
<p>PRESENT</p>	<p><u>Directors:</u> Tom DeLong, Chairman; John Sloan, Vice Chairman; Dave Messier, Treasurer; Gary Newman, Secretary; Chris Bunch; Rick Solie and Todd Adams.</p> <p><u>Staff:</u> John Burns, President & CEO; Frank Perkins, Vice President Power Supply; Josh Davis, Director of Operations; 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; Sarah Villalon, Controller; Kathryn Strle, Controller; Ehren Schachle, Administrative Operations Manager and Susan Redlin, Executive Administrative Assistant.</p> <p><u>Members:</u></p> <p>District 1: Charlotte Basham, Cody Deane, Jessica Girard, Kay Hoch and Phil Wight.</p> <p>District 2: Lisa Baraff, Mike Craft, Andrew McDonnell, Diane Preston, Richard Theilmann and Cathy Walling.</p> <p>District 3: Elizabeth Gardiner and Michele Laarman.</p> <p>District 4: Kenzley Defler, Patrice Lee and Jim Schwarber.</p> <p>District 7: Katherine Hennigan.</p> <p><u>Contractors:</u> Shannon Telling, Ampersand and Cliff Watson, Cliff Watson Consulting, LLC.</p> <p><u>Media:</u> Tim Ellis, KUAC.</p>
<p>CALL TO ORDER</p>	<p>Chairman DeLong called the meeting to order at 4 p.m.</p>
<p>EXECUTIVE SESSION</p>	<p>At 4:01 p.m., without objection, the board convened into executive session to discuss certain legal and financial issues (Healy Unit 2</p>

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

**October 26, 2021
Fairbanks, Alaska**

EXECUTIVE SESSION (Continued)	<p>Update; 2022 Budget Discussion; RRC IC Update; Nenana Office; Annual Lease Review; COVID-19 Member Services Update; September 2021 Power Supply Report and Attorneys' Report), the immediate knowledge of which could have an adverse impact on GVEA.</p> <p>At 5:30 p.m., Mr. Watson signed off from the meeting.</p> <p>At 5:31 p.m., Mesdames Bailey, Dillard, Knight, Russell, Strle and Villalon, and Messrs. Davis and Schachle joined the meeting.</p> <p>At 6:30 p.m., without objection, the board came out of executive session.</p>
BREAK	At 6:30 p.m., Chairman DeLong declared a six minute break.
OPEN SESSION	At 6:36 p.m., the board convened into open session and members joined the meeting.
SAFETY MOMENT	Mr. Messier reminded everyone that effective January 1, 2022 ATVs will be permitted on state roads. He reviewed Alaska's Department of Public Safety requirements for ATV drivers.
TEXTPOWER PRESENTATION	Ms. Dillard gave a presentation on the TextPower communication software platform that GVEA will soon be launching. The platform will enable GVEA to text notices to members on their cell phones (provided that GVEA has their cell phone number), relating to outages, disconnects, billing and such other information as GVEA deems necessary/appropriate. The board asked several questions, which Mr. Dillard answered.
MAC REPORT	Mr. Hoch reported on the October 13, 2021 MAC Meeting.
RENEWABLE ENERGY REQUEST FOR INFORMATION UPDATE	<p>Mr. Burns made a few opening comments as relates to GVEA's decision not to move forward at this time on any of the renewable proposals that were received in response to GVEA's January 25, 2021 Renewable Energy (RE) Request for Information (RFI).</p> <p>Mr. Burns stated that the intent of the RFI was to seek out potential renewable energy proposals that could advance GVEA's carbon</p>

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

**October 26, 2021
Fairbanks, Alaska**

RENEWABLE ENERGY REQUEST FOR INFORMATION UPDATE (Continued)	<p>reduction goal without adversely affecting reliability or rates. He noted that the objective of the RFI was not simply to add renewable energy into GVEA's system, but rather to find a renewable project(s) that could assist GVEA in making inroads towards achieving GVEA's carbon reduction goal.</p> <p>Mr. Burns reported GVEA received eight proposals that included hydro, wind and solar. He said GVEA ran economic dispatch simulations and found that none of the projects would significantly reduce GVEA's carbon emissions, and in some cases increased emissions. Additionally he said, given that the RFI was not a Request for Proposal, and that there was no substantive benefits being achieved from any of the proposals, GVEA felt that it was not in the best interests of GVEA's members to proceed with any of the proposed projects.</p> <p>Mr. Burns acknowledged the frustration that the decision has generated amongst some of GVEA's members, and the fact that for many it might well appear that GVEA is not committed to reducing carbon emissions. Burns emphasized, however that action, simply for the sake of action, particularly when legacy decisions such as generation and/or long-term power purchase commitments are at stake, is neither prudent nor in the best interest of GVEA's membership. He said such decisions must be made deliberatively, objectively, and focused on achieving meaningful, quantifiable benefits.</p> <p>Mr. Burns reported that GVEA has met every renewable pledge that has been set in the past and that GVEA intends to meet the current carbon reduction goal. He assured the membership that the decision on the RFI does not in any way mean that GVEA is not committed to meeting its goal.</p> <p>Chairman DeLong emphasized that GVEA is not done considering renewables, and asked for patience as the board is considering legacy decisions that will clarify the direction of future generation.</p>
MEMBER COMMENTS	Mr. Schwarber thanked Mr. Burns for the explanation on GVEA's decision on the RE RFI, and his reassurances that GVEA has not

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

**October 26, 2021
Fairbanks, Alaska**

<p>MEMBER COMMENTS (Continued)</p>	<p>turned its back on transitioning to more renewables. He expressed his disappointment and frustration with the decision, and questioned GVEA's sincerity about its commitment to reducing its carbon footprint. He asked if GVEA has an official plan for meeting its carbon reduction pledge, and for making even more significant reductions in GVEA's carbon footprint. He commented that GVEA's carbon reduction goal is not enough and is out of step with the times. He spoke in favor of beneficial electrification and implementing an On-Bill Financing Program.</p> <p>Ms. Defler echoed Mr. Schwarber's comments. She asked that GVEA develop tangible plans and actions to decarbonize and install new renewables, including both small and large scale projects. She spoke in favor of decommissioning Healy Unit 1, and asked the board to take seriously the health, values and sustainability of our community.</p> <p>Mr. Deane said he appreciated Mr. Burns' comments regarding the RFI decision. He expressed his concerns regarding how the decision was made and how it appears to members. He said GVEA's past actions in response to reducing carbon emissions are not adequate.</p> <p>Ms. Walling thanked Mr. Burns for the information he shared regarding the RFI decision. She requested that as GVEA navigates forward with renewables that more transparency be provided to members. She echoed other member comments requesting an increase of GVEA's carbon reduction goal. She also spoke in favor of the proposed federal program to forgive outstanding debt cooperatives owe related to coal-fired generation.</p> <p>Mr. Theilmann shared his disappointment that the decision on the RFI was not shared with the MAC Committee in advance of communications to the responders and the press release. He suggested that the RFI proposals be placed on GVEA's website.</p> <p>Mr. Musick shared his concerns that GVEA is kicking the carbon can down the road. He urged the board to move to clean,</p>
---	--

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

**October 26, 2021
Fairbanks, Alaska**

**MEMBER
COMMENTS
(Continued)**

renewable energy as soon as possible. He said GVEA's carbon reduction goal is too little, too late.

Ms. Preston shared her disappointment that GVEA could not find a project to pursue in the RFI proposals that were submitted. She said taking carbon reduction seriously requires action. She commented that it is disingenuous when GVEA touts the sizes of its wind and solar farms, when in reality they are minute projects. She echoed that GVEA's carbon reduction goal needs to be increased.

Ms. Basham thanked GVEA for the investments it has already made in past years for renewable energy. She echoed other member comments regarding the RE RFI. She said she hopes GVEA will invite those who submitted projects to refine their proposals. She spoke against upgrading Healy Unit 1 and encouraged GVEA to stay the course for its commitment to renewable energy sources.

Mr. Wight thanked the board and Mr. Burns for the helpful context regarding GVEA's decision not to move forward with any of the RE RFI proposals. He read aloud names of some of GVEA's industrial and electric consumers, including the military who have made renewable energy commitments and pledges to decarbonize. He said that these corporate and federal commitments represent both an economic risk and opportunity for our community. He noted that if GVEA cannot provide cheaper clean energy, they may develop their own generation. He said that if GVEA takes the lead, it can supply the crucial energy for these businesses to meet their energy commitment goals.

Mr. Craft asked the board to help him understand why GVEA is unable to move forward with any of the RE RFI proposals. He asked for more information to better understand the decision.

Ms. Girard echoed other member comments regarding the RE RFI and coal-fired generation. She spoke about the ERO and asked that the public be able to engage in the process. She encouraged GVEA to participate in a way that moves that process along.

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

**October 26, 2021
Fairbanks, Alaska**

<p>MEMBER COMMENTS (Continued)</p>	<p>Further, she encouraged GVEA to engage with non-utility stakeholders.</p> <p>Ms. Baraff commented on the RE RFI decision and asked if there is a minimum and optimal size for a renewable project to fit GVEA's needs. She questioned if it is worth it to sink money into Healy Unit 1 for emission control retrofits as opposed to putting that kind of money into building additional renewables and the benefits that can be gained.</p> <p>Ms. Lee echoed other member comments regarding the RE RFI. She shared concerns regarding air quality issues and how poor air quality affects the health of our community. She spoke against any further expenditures for Healy Unit 2. She spoke in favor of the legislation that may provide debt forgiveness for cooperatives that have coal plant debt.</p>
<p>APPROVAL OF THE AGENDA AND ADOPTION OF THE CONSENT AGENDA</p>	<p>Mr. Bunch moved to approve the Agenda and Adopt the Consent Agenda. Mr. Newman seconded the motion. Without objection, the motion passed. The Consent Agenda included:</p> <ul style="list-style-type: none"> • Approval the September 28, 2021 Regular Board Meeting Minutes. • Review of the Safety Compliance Officer's September 2021 Report.
<p>FINANCE, AUDIT & RATE (FAR) RECOMMENDATIONS</p>	<p>Mr. Messier, as Chair of the Board's Finance, Audit & Rate (FAR) Committee, reported that the Committee met on October 6 and October 13, 2021 with staff, management and board members to review the details of the proposed 2022 Budget. Based on those meetings, the FAR Committee concluded that the proposed 2022 Budget (Operating and Capital) is consistent with GVEA's three core principles: (1) safety, (2) operational efficiency and effectiveness, and (3) fiscal responsibility. The FAR Committee recognized and appreciated that the 2022 Budget was developed with the intention of holding electric rates flat so as not to financially burden GVEA's membership.</p> <p>As Chairman of the Board's FAR Committee, and with the unanimous vote of the Committee, Mr. Messier moved to approve</p>

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

**October 26, 2021
Fairbanks, Alaska**

FINANCE, AUDIT & RATE (FAR) RECOMMENDATIONS (Continued)	the 2022 Budget as modified and recommended for approval at the October 13, 2021 FAR meeting. Following discussion, the motion passed.
APPROVE RESOLUTION NO. 112-21: AUTHORIZING THE PRESIDENT & CEO AND BOARD SECRETARY TO EXECUTE OPERATING LINE OF CREDIT DOCUMENTS WITH KEYBANK	<p>Chairman DeLong introduced Resolution No. 112-21:</p> <p>WHEREAS, GVEA established a Fifteen Million Dollar (\$15,000,000) Line of Credit (LOC) with KeyBank National Association in 2003 to respond to short-term cash flow needs.</p> <p>WHEREAS, GVEA has entered into a Promissory Note Extension each year to facilitate the LOC, which has been continuously in place since 2003.</p> <p>WHEREAS, the current Promissory Note is dated 4/26/2012 and the eleventh extension expires 10/31/2021.</p> <p>WHEREAS, GVEA anticipates the need to extend the Promissory Note and KeyBank has requested an update to the original 2003 resolution designating who is authorized to execute the documents necessary to maintain the LOC.</p> <p>IT IS HEREBY RESOLVED that John J Burns, President/CEO and Gary Newman, Board Secretary are authorized to execute all documents necessary to establish and maintain an unsecured operating line of credit with KeyBank in an amount not to exceed Fifteen Million Dollars (\$15,000,000).</p> <p>Mr. Newman moved to approve Resolution No. 112-21. Mr. Sloan seconded the motion. Following discussion, the motion passed.</p>
MOTION TO EXTEND	At 8 p.m., Mr. Bunch moved to extend the meeting until 8:30 p.m. Mr. Messier seconded the motion. The motion passed.
ON-GOING REPORTS	<p>MAC REPORT – Mr. Bunch reported on the MAC Meeting that was held on October 20, 2021.</p> <p>NRECA DIRECTOR ADVISORY (DAG) GROUP – Mr. Newman submitted a written report to the board on the DAG meeting that was held on October 26, 2021.</p>

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

**October 26, 2021
Fairbanks, Alaska**

<p>MANAGEMENT REPORTS</p>	<p>SNAP SUMMARY – The September 2021 SNAP Summary was included in the board packet.</p> <p>FINANCIAL REPORTS/FORM 7 – The September 2021 Form 7 was included in the board packet.</p> <p>PROGRESS REPORTS – The board asked questions regarding progress reports included in the board packet, which Mr. Burns and staff answered.</p>
<p>DIRECTOR COMMENTS</p>	<p>Mr. Bunch commended staff on the 2022 budget process.</p> <p>Mr. Messier echoed Mr. Bunch’s comments and said the 2022 budget process was the most open and transparent process since he has served on the board.</p> <p>Mr. Solie congratulated staff on the impressive work on the 2022 budget. He said he appreciated the member comments that were received at the beginning of the board meeting and the excitement about renewable energy. He said some business community members have expressed interests in EV charging stations.</p> <p>Mr. Adams thanked staff for the level of detail in the 2022 budget. He thanked Messrs. Perkins and Kelly for the tour of the North Pole Power Plant. He reported that a Scholarship Committee Meeting will be held later in the week.</p> <p>Mr. Newman echoed previous director comments on the 2022 budget. He reported that he attended the APA Legal Seminar that was at the end of September 2021. He inquired about the recent Railbelt Issues Forum.</p> <p>Mr. Sloan said he appreciated the member comments earlier in the evening and the member engagement.</p> <p>Chairman DeLong gave an overview of the topics that were discussed at the Railbelt Issues Forum that was held on October 22, 2021</p>

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

**October 26, 2021
Fairbanks, Alaska**

ADJOURNMENT

At 8:36 p.m., Mr. Newman moved to adjourn the meeting. Mr. Bunch seconded the motion. The motion passed.


11-23-2021
Tom DeLong, Chairman


Gary Newman, Secretary


Susan Redlin, Recording Secretary

