

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

**March 25, 2019
Fairbanks, Alaska**

	<p>The regular meeting of the Board of Directors of Golden Valley Electric Association, Inc. was held in the Employee/Board Meeting Room in the Operations Building on March 25, 2019.</p>
<p>PRESENT</p>	<p><u>Directors:</u> Rick Schikora, Chairman; Tom DeLong, Vice Chairman; Bill Nordmark, Treasurer; John Sloan, Secretary; Chris Bunch; Gary Newman and Dave Messier.</p> <p><u>Staff:</u> Cory Borgeson, President & CEO; John Burns, Vice President & General Counsel; Ron Woolf, Vice President Finance and CFO; Bill Kirkenir, Vice President Power Supply; Raymond Billings, Manager of Systems & Applications Development; Brian Youngberg, Vice President Member Services; Michael Hsu, Systems Analyst I; Naomi Morton Knight, Environmental Officer; Cori Taylor, Administrative Assistant and Susan Redlin, Executive Administrative Assistant.</p> <p><u>Members:</u></p> <p>District 1: Diane Marshall, Steve Estes, Hal Salerno, David Guttenberg and Tristan Glowa.</p> <p>District 2: Richard Theilmann, Linda Bode, Norm Davis, Kasey Casort, Mike Musick, Andrew McDonnell and Tom Baring.</p> <p>District 3: Matthew Casort and Alison Carter.</p> <p>District 4: Thomas Allen, Martha (Suzanne) Rich, Karl Hough and Patrice Lee.</p> <p>District 5: Karl Monetti, Jeanne Olson, Glenn Mike Prax, Christina Sinclair and Phillip Drumm.</p> <p>Guest: Phil Osborn.</p>
<p>CALL TO ORDER</p>	<p>Chairman Schikora called the meeting to order at 5 p.m.</p>
<p>EXECUTIVE SESSION</p>	<p>At 5:01 p.m., without objection, the board convened into executive session to discuss legal and financial issues (Attorney Reports; 2019 District 6 Director Election; CEO Report; RCA Legislative Report; Meter Replacement Program Communication and Eco Green Generation (EGG) Communication Plan), the immediate knowledge of which could have an adverse impact on GVEA.</p> <p>At 6:32 p.m., without objection, the board came out of executive session and Chairman Schikora declared a break.</p>

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RECONVENE THE MEETING	At 6:40 p.m., Chairman Schikora reconvened the meeting; Messrs. Billings and Hsu, Ms. Knight and members joined the meeting.
SAFETY MOMENT	Mr. DeLong spoke about accidents and how accidents are preventable.
MEMBER COMMENTS	<p>Mr. Casort asked the board to consider a feasibility study for broadband.</p> <p>Ms. Bode echoed support for broadband.</p> <p>Ms. Marshall echoed support for broadband.</p> <p>Mr. Davis echoed support for broadband.</p> <p>Mr. Allen echoed support for broadband.</p> <p>Mr. Monetti responded to the request that members yield the floor and refrain from speaking about topics already addressed by prior members, since a show of the membership is necessary to get these issues addressed.</p> <p>Ms. Casort thanked the board for awarding her a scholarship in 2017; suggested GVEA expand its renewables efforts; said she did not support a for-profit company like TRANSCO, and echoed support for broadband.</p> <p>Ms. Olson echoed support for broadband and suggested GVEA consider electro static precipitators (ESPs) to help reduce pollution.</p> <p>Mr. Prax echoed support for ESPs; suggested GVEA pay attention to the upcoming DEC decision and submit comments by the deadline.</p> <p>Mr. Musick commented on the book <u>Drawdown</u> and expressed support of GVEA's carbon reduction goal.</p> <p>Ms. Sinclair echoed support for broadband and commended GVEA on its renewable energy resources.</p> <p>Ms. Rich thanked GVEA for its renewable efforts; would like to see GVEA make a more concerted effort to increase renewables and said she supports closing Healy Unit 1.</p> <p>Mr. Osborn echoed support of renewables, especially solar.</p> <p>Mr. Estes echoed support for broadband.</p>

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<p>MEMBER COMMENTS (Continued)</p>	<p>Mr. Hough commented that GVEA should get away from using oil and coal, and expressed his support for wind projects like those in Delta.</p> <p>Mr. Glowa echoed support for renewables; shared his concern regarding the TRANSCO's for-profit status; said he supports the Railbelt Reliability Council and hoped GVEA had the members' interest in mind while pursuing the TRANSCO.</p> <p>Mr. McDonnell thanked the board for approving the carbon reduction goal and added now is the time to be proactive and come up with a strategy to achieve this goal; suggested GVEA lead the charge because independent power producers may prevent GVEA from having a choice; and offered five steps to achieve the carbon reduction goal, including improved operations, demand response, grid infrastructure, fast ramping generation and storage.</p> <p>Mr. Drumm echoed support for broadband.</p> <p>Mr. Salerno echoed support for broadband.</p> <p>Ms. Lee suggested the need for a regional energy plan for Fairbanks; spoke on the State Implementation Plan (SIP), and supports the creation of a non-profit ESP co-op to combat pollution in Fairbanks.</p> <p>Mr. Guttenberg spoke about his website encouraging co-ops to incorporate broadband.</p> <p>Ms. Carter indicated GVEA's blog postings are very useful and encouraged GVEA to make similar blog posts on issues like TRANSCO.</p>
<p>MAC REPORT</p>	<p>Ms. Carter reported on the March 13, 2019 MAC meeting and said that committee members want more substantive work assignments.</p>
<p>APPROVAL OF THE AGENDA AND ADOPTION OF THE CONSENT AGENDA</p>	<p>Mr. Sloan moved to approve the Agenda and adopt the Consent Agenda. Mr. Bunch seconded the motion; the motion passed.</p> <p>The Consent Agenda included:</p> <ul style="list-style-type: none"> • Approval of the 2019 Board Retreat Minutes. • Approval of the February 19, 2019 Regular Board Meeting Minutes. • Review of the Safety Officer's February 2019 Report.

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<p>APPROVAL OF THE AGENDA AND ADOPTION OF THE CONSENT AGENDA (Continued)</p>	<ul style="list-style-type: none"> • Appointment of Jeannie Phillips to serve as Parliamentarian and Susan Redlin to serve as Recording Secretary at the 2019 Annual Members' Meeting.
<p>STAFF UPDATE: MEMBER PORTAL DEMONSTRATION</p>	<p>Messrs. Billings and Hsu gave a demonstration of the Member Portal. The board asked questions, which Messrs. Billings and Hsu answered.</p> <p>At 8:01 p.m., Messrs. Billings and Hsu departed the meeting.</p>
<p>STAFF UPDATE: PM 2.5 UPDATE</p>	<p>Ms. Knight gave an update on PM 2.5 pollution issue in Fairbanks. The board asked questions, which Ms. Knight answered.</p> <p>At 8:28 p.m., Chairman Schikora declared a break.</p> <p>At 8:37 p.m., Messrs. Kirkenir, Youngberg and Ms. Knight departed the meeting.</p>
<p>RECONVENE THE MEETING</p>	<p>At 8:40 p.m., Chairman Schikora reconvened the meeting.</p>
<p>REVIEW THE 2018 BAD-DEBT WRITE-OFF</p>	<p>Mr. Nordmark moved to let the record reflect that the board reviewed the 2018 Bad Debt Write-Off. Mr. Sloan seconded the motion. Following discussion, the motion passed.</p>
<p>APPROVE RESOLUTION 101-19: SIMPLIFIED RATE FILING</p>	<p>Chairman Schikora introduced Resolution No. 101-19:</p> <p style="text-align: center;">APPROVING THE SIMPLIFIED RATE FILING</p> <p>WHEREAS, Golden Valley Electric Association, Inc. (GVEA) is an electric cooperative eligible to use the Simplified Rate Filing (SRF) procedures pursuant to Alaska Statute 42.05.381 (e) and Alaska Administrative Code 3 AAC 48-700 et seq.;</p> <p>WHEREAS, since the last SRF, approved by the RCA on November 8, 2018, GVEA has experienced increases in the costs of its operations without a corresponding increase in revenues;</p> <p>WHEREAS, the increase in operating costs without a corresponding increase in revenues reduces GVEA's operating margins and impairs its financial ratios;</p> <p>WHEREAS, GVEA is required by its lenders to maintain certain levels of operating margins and financial ratios; and,</p> <p>WHEREAS, GVEA's financial forecast projects a need for a rate increase.</p>

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<p>APPROVE RESOLUTION 101-19: SIMPLIFIED RATE FILING (Continued)</p>	<p>NOW THEREFORE, BE IT RESOLVED, that GVEA in accordance with SRF standard procedures, approves the rate increase of 1.39% effective June 1, 2019 as listed on ATTACHMENT A and finds the increase necessary to maintain a sound financial position.</p> <p>Mr. Bunch moved to approve Resolution No. 101-19. Mr. Nordmark seconded the motion. Following discussion, the motion passed.</p>
<p>APPROVE MOTION: 2019 DISTRICT 6 DIRECTOR ELECTION</p>	<p>At 8:54 p.m., Mr. Sloan recused himself from the discussion of this agenda item and departed the meeting.</p> <p>Chairman Schikora entertained the following motion regarding the 2019 District 6 Director Election:</p> <p><i>"Whereas there is only one candidate eligible to be placed on the ballot in District 6, I move, consistent with Policy 2.6.1(II)(B)(5)(c), that GVEA forego the election process for District 6 and that pursuant to Bylaw Article V, Section 2(a) that GVEA's Board hereby appoint incumbent John Sloan as director for District 6 for a three-year term effective on June 24, 2019, which is the date the election results for District 6 would have been certified had the election occurred."</i></p> <p>Mr. Nordmark moved to approve the 2019 District 6 Director Election motion. Mr. Newman seconded the motion. Following discussion, the motion passed.</p> <p>Following, at 8:58 p.m., Mr. Sloan rejoined the meeting.</p>
<p>ONGOING REPORTS</p>	<p>APA/ARECA SCHOLARSHIP COMMITTEE – Mr. Newman's written report was included in the board packet.</p> <p>ARECA INSURANCE EXCHANGE – Mr. Schikora reported on the March 5, 2019 ARECA Insurance Exchange meeting.</p> <p>ARCTEC – Mr. DeLong reported on the February 27, 2019 ARCTEC meeting.</p> <p>GOODENTS MEETING – Mr. DeLong reported on the February 20, 2019 Goodents Meeting.</p> <p>BOARD CALENDAR – The board reviewed its calendar.</p>

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<p>ONGOING REPORTS (Continued)</p>	<p>MAC REPORT – Mr. Newman reported on the March 13, 2019 MAC meeting.</p> <p>NRECA DIRECTORS CONFERENCE – Mr. Newman's report was included in the board packet.</p> <p>NWPPA – Mr. Sloan reported on the NWPPA meetings held March 7-8, 2019.</p>
<p>MANAGEMENT REPORTS</p>	<p>CEO REPORT – Mr. Borgeson reported on tariff filing TA323-13 – GVEA's Net Metering Report; a letter from the ARECA Insurance Exchange regarding the amount credited to the Subscriber Savings Account for 2018; the CFC Annual Benefits of Ownership Statement; the January and February outage chart; Legislative meetings in Juneau; the CAT Safety Summit and the Healy Unit 2 Mercury Emissions Update.</p> <p>FINANCIAL REPORTS/FORM 7 – The draft January 2019 Form 7 and the draft February 2019 Form 7 were provided in the board packet.</p> <p>PROGRESS REPORTS – Progress Reports, used for management purposes, were included in the board packet; various board members asked questions.</p>
<p>DIRECTOR COMMENTS</p>	<p>Mr. Newman shared his concern regarding available GVEA personnel to oversee a feasibility study for broadband; felt members are generally happy with GVEA and stated members continue to misunderstand the fuel charge component of their bill.</p> <p>Mr. Messier expressed his appreciation for Andrew McDonnell's comments.</p> <p>Mr. Bunch said that the topic of broadband should be addressed by the board.</p> <p>Mr. DeLong reported on a meeting he had with members who want to create a co-op to install ESPs and said GVEA should support this co-op.</p> <p>Mr. Schikora reported on the APA Railbelt Issues Forum held on March 21, 2019.</p>

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BREAK	At 10:28 p.m., Chairman Schikora declared a break.
EXECUTIVE SESSION	At 10:35 p.m., without objection, the board reconvened into executive session to discuss legal and financial issues (CEO Report), the immediate knowledge of which could have an adverse impact on GVEA. At 11:08 p.m., without objection, the board came out of executive session.
ADJOURNMENT	At 11:09 p.m., without objection, Chairman Schikora declared the meeting adjourned.



Rick Schikora, Chairman



John Sloan, Secretary



Cori Taylor, Recording Secretary

