

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

**August 24, 2020⁵
Fairbanks, Alaska**

	<p>The Regular Meeting of the Board of Directors of Golden Valley Electric Association, Inc. was held on August 24, 2020 in the Employee/Board Meeting Room located in the Operations Building. Due to COVID-19 and the need for social distancing, the meeting was closed to the public; however, members were invited to attend telephonically. Board members participated both via web conference and in-person.</p>
<p>PRESENT</p>	<p><u>Directors:</u> Tom DeLong, Chairman (via web conference); John Sloan, Vice Chairman; Bill Nordmark, Secretary; Dave Messier, Treasurer (via web conference); Chris Bunch; Gary Newman (via web conference) and Rick Solie.</p> <p><u>Staff:</u> John Burns, President & CEO; Ron Woolf, Vice President Finance & CFO; Monica Grassi, Vice President Member Services; Frank Perkins, Vice President Power Supply; Nathan Minnema, Director of Engineering; Josh Davis, Director of Operations; Sarah Villalon, Controller; Meadow Bailey, Director of External Affairs/Public Relations; Melissa Connor, Member Services Managers; Daniel Heckman, Regulatory Specialist; Toni Smith, Environmental Specialist III (telephonically) and Susan Redlin, Executive Administrative Assistant.</p> <p><u>Members</u> (Telephonically): District 1: Phil Wight. District 2: Lisa Baraff, Diane Preston and Gene Therriault. District 4: Lisa Herbert and Jim Schwarber.</p> <p><u>Guests</u> (Video Conference): Alaska Center for Energy and Power (ACEP): Brian Rogers, Gwenn Holdmann (in-person), Steve Colt, Mohammed Kapourchali, Tim Leach, Christian Seekins and Heike Merkel.</p>
<p>CALL TO ORDER</p>	<p>Chairman DeLong called the meeting to order at 4:30 p.m.</p>
<p>EXECUTIVE SESSION</p>	<p>At 4:31 p.m., without objection, the board convened into executive session to discuss certain legal and financial issues,</p>

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EXECUTIVE SESSION (Continued)	<p>the immediate knowledge of which could have an adverse impact on GVEA (COVID Financial Update; Form 7 Financial Update; Healy Unit 2 Update; Soldotna-to-Quartz Creek Transmission Line Update; July 2020 Power Supply Report; Attorneys' Reports and Strategic Planning Update).</p> <p>At 6:23 p.m. without objection, the board came out of executive session.</p>
BREAK	<p>At 6:24 p.m., Chairman DeLong declared a six minute break.</p>
OPEN SESSION	<p>At 6:30 p.m., the board convened into open session at which time members and guests joined the meeting.</p>
SAFETY MOMENT	<p>Mr. Messier spoke about the road construction activity currently underway and safety considerations to be aware of.</p>
ACEP PRESENTATION	<p>The Alaska Center for Energy and Power (ACEP), through Mr. Rogers, gave a presentation entitled "GVEA Carbon Reduction Study." The board asked several questions of Mr. Rogers relating to the ACEP report, which Mr. Rogers answered.</p>
MEMBER COMMENTS	<p>Mr. Schwarber inquired about web conferencing for monthly board meetings, suggested GVEA increase its net-metering capacity, and said he supports decarbonization and more renewables.</p> <p>Ms. Baroff commented on the monthly board meetings and web conferencing, the ACEP presentation and the status of on-bill financing.</p> <p>Ms. Preston congratulated Messrs. DeLong and Messier on their re-election, and Mr. Solie on his election to the board. She also commented on the ACEP presentation, on-bill financing and possible options for members to support renewables and carbon taxes.</p> <p>Mr. Wight thanked the board for the ACEP presentation and encouraged the board to think about the cost-benefits of decarbonization opportunities.</p>

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APPROVAL OF THE AGENDA AND ADOPTION OF THE CONSENT AGENDA	<p>Mr. Sloan moved to approve the Agenda and adopt the Consent Agenda. Mr. Bunch seconded the motion.</p> <p>Mr. Newman moved to amend the Agenda in order to recognize Mr. Nordmark's service on the GVEA Board of Directors for the past 25 years. Mr. Sloan seconded the motion. Following discussion the motion to approve the Agenda as amended passed.</p> <p>The Consent Agenda included:</p> <ul style="list-style-type: none">• Approval of the July 27, 2020 Regular Board Meeting Minutes.• Review the Safety Compliance Officer's July 2020 Report.
SERVICE RECOGNITION: MR. BILL NORDMARK – 25 YEARS SERVING ON THE GVEA BOARD	<p>Mr. Bunch commented on the fact that he very much appreciated Mr. Nordmark's wisdom, guidance and support over the years since Mr. Bunch's election to the Board.</p> <p>Mr. Sloan said he admired Mr. Nordmark's commitment to GVEA and added that he will very much miss Nordmark's guidance and wisdom.</p> <p>Mr. Messier commented that Mr. Nordmark has been a solid role model while serving on the board and said he appreciated Mr. Nordmark's time on the board.</p> <p>Mr. Newman thanked Mr. Nordmark for his service to GVEA.</p> <p>Mr. Solie said he is saddened to see Mr. Nordmark leave, but that the board is a great beneficiary of his knowledge.</p> <p>Mr. DeLong thanked Mr. Nordmark for his feedback throughout the years and said the board will miss him.</p> <p>Mr. Nordmark said he will miss serving on the board, offered trips on his boat, and said he has very much enjoyed working with staff.</p>

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<p>APPROVAL OF RESOLUTION NO. 111-20: APPROVAL OF FINANCING OF THE PROPOSED TRANSACTION</p>	<p>Chairman DeLong introduced Resolution No. 111-20: Approval of the Financing of the Proposed Transaction</p> <p style="text-align:center">APPROVAL OF FINANCING OF THE PROPOSED TRANSACTION</p> <p>This Resolution No. 111-20, is being prepared for the governing Board of Golden Valley Electric Association, Inc., a utility-member of the Bradley Lake Project Management Committee (BPMC), in order to: 1) confirm that the Proposed Transaction is based on sound economics from the perspective of Golden Valley Electric Association, Inc.; and 2) to approve the preliminary terms and conditions of the financing for the Proposed Transaction.</p> <p>WHEREAS, Golden Valley Electric Association, Inc. (GVEA) is a Purchaser of the power generated by the Bradley Lake Hydroelectric Project (Project);</p> <p>WHEREAS, GVEA is a Member of the Bradley Lake Project Management Committee (BPMC) which manages the Project;</p> <p>WHEREAS, On May 22, 2020, Alaska Energy Authority (AEA) and Homer Electric Association, Inc. (HEA) entered into a Letter of Intent containing the terms and conditions under which AEA would purchase and HEA would sell certain electric transmission facilities and properties that are currently used by HEA to provide electric service to Purchasers of the power generated by the Bradley Lake Hydroelectric Project (Proposed Transaction);</p> <p>WHEREAS, On July 17, 2020, the Bradley O&D Committee (Bradley O&D) issued its Report on the Proposed Transaction concluding that the Proposed Transaction: (i) is based on sound economics for the Project, (ii) is fully consistent with the meaning of "Prudent Utility Practice" as defined by the Power Revenue Bond Resolution, (iii) meets the national standards for the electric utility industry and (iv) is Required Work as that term is defined in the Power Purchase Agreement;</p>
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**APPROVAL OF
RESOLUTION NO.
111-20:
APPROVAL OF
FINANCING OF THE
PROPOSED
TRANSACTION
(Continued)**

WHEREAS, BPMC Resolution No. 20-02 dated July 24, 2020, adopted the Bradley O&D Report which contained the conclusion of the Bradley O&D that the Proposed Transaction is Required Work under the Power Sales Agreement;

WHEREAS, the BPMC supports the Proposed Transaction subject to any required final approval of the governing bodies of the individual Members;

WHEREAS, GVEA has reviewed and considered the Report on the Proposed Transaction prepared by the Bradley O&D and approved by the BPMC;

WHEREAS, GVEA has concluded that the Proposed Transaction is based on sound economics from its perspective as a Purchaser;

WHEREAS, the BPMC is responsible for selection among alternative methods that involve AEA for funding Required Project Work¹;

WHEREAS, AEA has worked with AIDEA on financing the Proposed Transaction with Private Placement Funding under the Sustainable Energy Transmission and Supply (SETS) (AS 44.88.650 – 44.88.690);

WHEREAS, the BPMC has reviewed and approved the preliminary terms and conditions for financing the Proposed Transaction subject to certain identified changes and any required final approval of the governing bodies of the individual Members in its Resolution No. 20-03 dated July 24, 2020;

WHEREAS, the Members of the BPMC would like an indication from their respective governing boards whether the terms and conditions for financing the Proposed Transaction that

¹ Required Work is defined in the Power Sales Agreement to mean "...repairs, maintenance, renewals, replacements, improvements or betterments required by federal or state law, a licensing or regulatory agency with jurisdiction over the Project, or this Agreement, or otherwise necessary to keep the Project in good and efficient operating condition, consistent with (1) sound economics for the Project and the Purchasers, and (2) national standards for the industry." See PSA at Required Project Work, Section 1(hh).

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<p>APPROVAL OF RESOLUTION NO. 111-20: APPROVAL OF FINANCING OF THE PROPOSED TRANSACTION (Continued)</p>	<p>AEA has worked out with AIDEA are acceptable to the individual utilities comprising the BPMC; and</p> <p style="text-align:center">WHEREAS, it will be a requirement of the financing that the governing boards of the individual Purchasing Utilities approve the Preliminary Terms and Conditions.</p> <p style="text-align:center">THEREFORE, BE IT RESOLVED, the Board of Directors of Golden Valley Election Association have reviewed and considered the cost and benefits of the Proposed Transaction.</p> <p style="text-align:center">BE IT ALSO RESOLVED, that the Board of Directors of Golden Valley Electric Association supports the Proposed Transaction;</p> <p style="text-align:center">BE IT ALSO RESOLVED, the Board of Directors of Golden Valley Electric Association has reviewed the Report prepared by the Bradley O&D and finds that that the Proposed Transaction is based on sound economics from GVEA's perspective as a Purchaser of power generated by the Project;</p> <p style="text-align:center">BE IT ALSO RESOLVED, the Board of Directors of Golden Valley Electric Association has reviewed and approves the preliminary financing terms and conditions that were approved by the BPMC and AEA and attached to AEA Resolution 2020-07; and</p> <p style="text-align:center">BE IT ALSO RESOLVED, the Management of Golden Valley Association be authorized to do all things necessary to effectuate the intent of this Resolution and support the Proposed Transaction.</p> <p>Mr. Newman moved to approve Resolution No. 111-20. Mr. Sloan seconded the motion. Following discussion, the motion passed.</p>
<p>EXTEND MEETING</p>	<p>At 8 p.m., Chairman DeLong extended the meeting for 30 minutes.</p>

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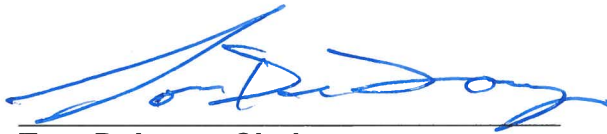
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ON-GOING REPORTS	<p>NWPPA Report– Mr. Sloan reported that despite the lowered NWPPA educational opportunities due to COVID-19, attendance is up for virtual learning.</p> <p>Alaska Power Association (APA) Report – Mr. Sloan reported that APA will be seeking to recoup COVID-19 legal expenses from the active membership on a pro-rata allocation basis.</p>
MANAGEMENT REPORTS	<p>CEO REPORT – Mr. Burns gave updates on COVID-19 impacts to GVEA, the 2021 Budget Process and Railbelt Reliability Council meetings.</p> <p>SNAP SUMMARY – The July 2020 SNAP Summary was included in the board packet.</p> <p>PROGRESS REPORTS – The board asked questions regarding the progress reports included in the board packet, which Mr. Burns answered.</p>
DIRECTOR COMMENTS	<p>Mr. Newman said he appreciated Mr. Nordmark’s graciousness while serving on the board.</p> <p>Mr. Messier said he will miss Mr. Nordmark and his sage advice. He asked for an update on natural gas at a future board meeting.</p> <p>Mr. Solie seconded the request for an update on natural gas. He said he is appreciating the new director orientations that he is participating in and looks forward to learning more about GVEA.</p> <p>Mr. Bunch said he appreciated the ACEP presentation and looks forward to their final report, which may lend itself to future tasks for the MAC. He thanked Mr. Nordmark for his support while serving on the board.</p> <p>Mr. Sloan spoke about a recent outage in Delta and the questions he has received about the John Brown generator which is located in Delta.</p> <p>Chairman DeLong reported that he received an inquiry from a member who may be running for the state legislature and may be interested in applying for the soon-to-be vacant District 7 board seat. Mr. DeLong said GVEA’s Bylaws do not expressly</p>

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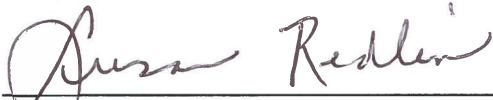
DIRECTOR COMMENTS (Continued)	prohibit a board member from serving in public office and that this may be topic for the Bylaw Committee to consider. He shared the following topics for future agenda items: natural gas, on-bill financing (pilot project) and the headquarters study. Mr. Nordmark thanked everyone for their kind comments regarding his tenure on the GVEA board.
ADJOURNMENT	At 8:29 p.m., without objection, Chairman DeLong declared the meeting adjourned.



Tom DeLong, Chairman



Gary Newman, Secretary



Susan Redlin, Recording Secretary