

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

**February 22, 2021  
Fairbanks, Alaska**

	<p>The Regular Meeting of the Board of Directors of Golden Valley Electric Association, Inc. was held on February 22, 2021. Due to COVID-19 and the need for social distancing, the meeting was held virtually.</p>
<b>PRESENT</b>	<p><b><u>Directors:</u></b> Tom DeLong, Chairman; John Sloan, Vice Chairman; Dave Messier, Treasurer; Gary Newman, Secretary; Chris Bunch, Rick Solie and Brad Benson.</p> <p><b><u>Staff:</u></b> John Burns, President &amp; CEO; Ron Woolf, Chief Financial Officer; Frank Perkins, Vice President Power Supply; Naomi Morton Knight, Acting Director of Engineering Services; Josh Davis, Director of Operations; Abbigail Dillard, Acting Director of Member Services; Kathryn Strle, Treasury Manager; Reagan Russell, Director of Human Resources; Sarah Villalon, Controller; Meadow Bailey, Director of External Affairs/Public Relations; Nathan Minnema, Acting Senior Engineer; Melissa Connor, Member Services Manager; Ashley Bradish, Public Relations Specialist and Susan Redlin, Executive Administrative Assistant.</p> <p><b><u>Contractors:</u></b> Shane Callahan, Ampersand and Jane Sanstead and Mike Sassman, National Rural Electric Cooperative Association (NRECA).</p> <p><b><u>Members:</u></b> District 2: Lisa Baraff, Richard Theilmann and Diane Preston. District 3: Alison Carter. District 4: Ben Loeffler and James Schwarber. District 5: Rodney Rutherford. District 7: Kathy Hennigan.</p>
<b>CALL TO ORDER</b>	<p>Chairman DeLong called the meeting to order at 4:30 p.m.</p>
<b>EXECUTIVE SESSION</b>	<p>At 4:31 p.m., Mr. Bunch moved to convene into executive session to discuss certain legal and financial issues (COVID Update; 2020 Bad Debt Write-Off; Briefing on Collective Bargaining Agreements; January 2021 Power Supply Report and Attorney Reports), the immediate knowledge of which could have an adverse impact on GVEA. Mr. Newman seconded the motion. The motion passed.</p> <p>At 6:16 p.m., without objection, the board came out of executive session.</p>

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<b>BREAK</b>	Chairman DeLong declared a 14 minute break.
<b>OPEN SESSION</b>	At 6:30 p.m., the board convened into open session; members, staff and contractors joined the meeting.
<b>SAFETY MOMENT</b>	Mr. Benson spoke about emergency preparedness for extended power outages.
<p data-bbox="207 611 383 638"><b>EDUCATION</b></p> <p data-bbox="207 1010 521 1037"><b>MEMBER COMMENTS</b></p> <p data-bbox="207 1619 505 1717"><b>MEMBER ADVISORY COMMITTEE (MAC) REPORT</b></p>	<p data-bbox="570 611 1162 638"><b><u>2020 Member Survey Results Presentation</u></b> Mr. Sassman and Mesdames Sanstead and Bailey gave a PowerPoint presentation entitled "2020 Member Survey Overview." The board asked questions regarding the presentation, which Sassman, Sanstead and Bailey answered.</p> <p data-bbox="570 831 1110 858"><b><u>2020 Reliability Summary Presentation</u></b> Messrs. Davis and Minnema gave a PowerPoint presentation entitled "2020 Reliability Summary." The board asked questions regarding the presentation, which Davis and Minnema answered.</p> <p data-bbox="570 1010 846 1037"><b><u>Member Comments</u></b> Ms. Hennigan commented on the recent power outages in Texas and expressed her appreciation for GVEA's expertise in keeping the lights on during extreme weather conditions. She also commented that as climate changes, electric usage will also change, and that will affect planning for future generation.</p> <p data-bbox="570 1283 1479 1423">Ms. Baraff commended the MAC Task Force on their report recommending technologies and financing for an on-bill financing pilot program and asked if additional technologies might be considered and added to the program.</p> <p data-bbox="570 1472 1479 1577">Ms. Preston echoed Ms. Baraff's comments and asked if residential LED lighting or other appliances might be considered for the pilot program.</p> <p data-bbox="570 1619 743 1646"><b><u>MAC Report</u></b> Ms. Carter reported on the February 10, 2021 MAC Meeting.</p>
<b>EXTEND THE MEETING/BREAK</b>	At 8 p.m., Chairman DeLong extended the meeting for 30 minutes and declared an eight minute break.

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<p><b>APPROVAL OF THE AGENDA AND ADOPTION OF THE CONSENT AGENDA</b></p>	<p>Mr. Solie 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"> <li>• Approval of the January 25, 2021 Regular Board Meeting Minutes.</li> <li>• Review of the Fourth Quarter 2020 Board and CEO Expenses.</li> <li>• Setting Dates of Record <ul style="list-style-type: none"> <li>○ 2021 Annual Meeting Notice: March 9, 2021.</li> <li>○ Mail Ballots for 2021 Director Elections: April 16, 2021.</li> <li>○ 2021 Annual Meeting: May 6, 2021.</li> </ul> </li> <li>• Review of the Safety Compliance Officer's January 2021 Report.</li> </ul>
<p><b>ACCEPT THE ANNUAL MEETING COMMITTEE RECOMMENDATIONS FOR THE 2021 ANNUAL MEMBERS' MEETING</b></p>	<p>Mr. Bunch, Chairman of the Annual Meeting Committee, moved to accept the Annual Meeting Committee recommendations for the 2021 Annual Members' Meeting. Following discussion, the motion passed.</p>
<p><b>REVIEW THE 2020 BAD DEBT WRITE-OFF</b></p>	<p>Mr. Newman moved to let the record reflect that the board reviewed and accepted staff's recommendation for the 2020 bad debt write-off. Mr. Sloan seconded the motion. Following discussion, the motion passed.</p>
<p><b>APPROVE RESOLUTION NO. 102-21: AUTHORIZING GVEA'S PRESIDENT &amp; CEO TO EXERCISE GVEA'S RIGHT TO BECOME A PARTICIPATING PURCHASER IN THE BATTLE CREEK DIVERSION PROJECT EFFECTIVE JUNE 1, 2022</b></p>	<p>Chairman DeLong introduced Resolution No. 102-21: Authorizing GVEA's President &amp; CEO to Exercise GVEA's Right to Become a Participating Purchaser in the Battle Creek Diversion Project Effective June 1, 2022:</p> <p><b>WHEREAS</b>, in 2017, pursuant to Resolution No. 2017-002 and Attachment 1 thereto, the Bradley Lake Project Management Committee ("BPMC") developed a project to divert the water flows of Battle Creek into Bradley Lake in order to increase the water for use by the Bradley Lake Hydroelectric Project ("Bradley Lake Project"). The activities of the BPMC regarding the BCD Project are authorized as Optional Project Work under the terms of the Power Purchase Agreement.</p> <p><b>WHEREAS</b>, although all Bradley Lake Power Purchasers, including GVEA which owns a 16.9% interest in the Bradley Lake Hydroelectric Project, were supportive of the Battle Creek Diversion Project ("BCD Project"), not all Purchasers signed on to the BCD Project as Participating Purchasers. Those Purchasers who, like GVEA, did not sign on to the BCD Project as Participating Purchasers when the project was first sanctioned, are Non-Participating Purchasers.</p>

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**APPROVE  
RESOLUTION NO. 102-  
21: AUTHORIZING  
GVEA'S PRESIDENT &  
CEO TO EXERCISE  
GVEA'S RIGHT TO  
BECOME A  
PARTICIPATING  
PURCHASER IN THE  
BATTLE CREEK  
DIVERSION PROJECT  
EFFECTIVE JUNE 1,  
2022  
(Continued)**

**WHEREAS**, Resolution No. 2017-002 and Attachment 1 thereto, specifically provides that a Non-Participating Purchaser shall be entitled to participate in the BCD Project should they later elect to do so. To become a Participating Purchaser in the BCD Project, the Non-Participating Purchaser must provide written notice (Call Back Notice) to the BPMC one year in advance of the start of the Project Water Year (June 1<sup>st</sup>) in order to be eligible to participate beginning at the start of the next Project Water Year.

**WHEREAS**, in addition to providing Call Back Notice, the Non-Participating Purchaser must, by May 1<sup>st</sup> prior to the Project Water Year, reimburse the Participating Purchasers then participating in the BCD Project, for the equitable portion of the reasonable costs the Participating Purchasers incurred to develop the BCD Project. The reasonable development costs shall be determined by the BPMC and include the Non-Participating purchaser's pro-rata share of the Alaska Energy Authority's cash calls and Interest During Construction (IDC) paid up front by the Participating Purchasers and adjusted for the time value of money.

**WHEREAS**, the estimated cost to GVEA to become a 16.9% Participating Purchaser in the BCD Project is \$2.1 Million.

**WHEREAS**, there is significant benefit to GVEA of becoming a Participating Purchaser in the BCD Project as soon as reasonably practical.

**NOW THEREFORE, BE IT RESOLVED**, that GVEA's President and CEO is authorized to provide a Call Back Notice to BPMC in order to be eligible to participate in the BCD Project beginning at the start of the June 1, 2022 Project Water Year.

**BE IT FURTHER RESOLVED**, that GVEA's President and CEO is authorized to take all such other action as may be required pursuant to the terms of BPMC Resolution 2017-02 and Attachment 1 thereto (and any subsequent amendments), in order for GVEA to become a Participating Purchaser in the BCD Project effective June 1, 2022. Such action shall include but not be limited to reimbursing Participating Purchasers for the reasonable costs they incurred to develop the BCD Project as determined by the BPMC, and any filings to the Regulatory Commission of Alaska (RCA) in order to obtain approval to include the cost of becoming a Participating Purchaser in GVEA's COPA.

Mr. Benson moved to approve Resolution No. 102-21. Mr. Sloan seconded the motion. Following discussion, the motion passed.

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<b>MAC TASK FORCE ASSIGNMENT: ON-BILL FINANCING</b>	On behalf of the board, Chairman DeLong issued a Memorandum to the MAC Task Force commending them for their well-written report that was submitted to the board in December 2020 regarding recommendations for a GVEA On-Bill Financing Pilot Program. The Memorandum requests additional information regarding solar, electric charging stations and heat pumps as potential eligible residential technologies for the program.
<b>EXTEND THE MEETING</b>	At 8:30 p.m., Mr. Sloan moved to extend the meeting for 30 minutes. Mr. Newman seconded the motion. The motion passed.
<b>ON-GOING REPORTS</b>	<p><b>ALASKA POWER ASSOCIATION (APA) REPORT</b> – Mr. Sloan reported on the February 3, 2021 APA Board Meeting. He also commended Mr. Newman for his written report, included in the board packet, relating to the APA Legislative Conference held on February 3 – 4, 2021.</p> <p><b>ALASKA RAILBELT COOPERATIVE TRANSMISSION &amp; ELECTRIC COMPANY (ARCTEC) REPORT</b> – Chairman DeLong reported on the February 8, 2021 ARCTEC Board Meeting.</p> <p><b>MAC REPORT</b> – Mr. Solie reported on the February 10, 2021 MAC meeting.</p> <p><b>NRECA DIRECTOR ADVISORY GROUP (DAG)</b> – Mr. Newman commented briefly on his written report, included in the board packet, relating to the February 11, 2021 NRECA DAG meeting.</p>
<b>MANAGEMENT REPORTS</b>	<p><b>SNAP SUMMARY</b> – The January 2021 SNAP Summary 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 management staff answered.</p>
<b>DIRECTOR COMMENTS</b>	<p>Mr. Benson commented on the member comments received at the beginning of the meeting and said he hopes that the board can meet in-person for the 2021 Annual Members' Meeting.</p> <p>Mr. Newman said he appreciates the virtual board meetings (<i>although the board would rather be meeting in-person</i>) and everyone's patience working through the technology changes and challenges.</p>

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<b>DIRECTOR COMMENTS (Continued)</b>	<p>Mr. Sloan said he appreciates staff's input during the board meetings.</p> <p>Mr. Messier commented on the recent board retreat and said that GVEA has the best, hard-working staff, and he appreciates the company culture for continuous improvement.</p> <p>Mr. Solie commented on GVEA becoming a purchaser in the Battle Creek Diversion Project and the benefit GVEA's participation in the project will bring to GVEA's members. He also reflected on how many decisions made by the board take time to come to fruition.</p> <p>Chairman DeLong commented on the recent board retreat. He acknowledged and thanked Mr. Burns and staff for their preparation, dedication and hard work on the strategic planning portion of the retreat.</p>
<b>ADJOURNMENT</b>	At 9:02 p.m., without objection, Chairman DeLong adjourned the meeting.

  
Tom DeLong, Chairman

  
Gary Newman, Secretary

  
Susan Redlin, Recording Secretary