

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

**April 27, 2020  
Fairbanks, Alaska**

	<p>The Regular Meeting of the Board of Directors of Golden Valley Electric Association, Inc. was held on April 27, 2020 in the Employee/Board Meeting Room located in the Operations Building. Due to the COVID-19 crisis and the need for social distance, the meeting was closed to the public; however, members were invited to attend telephonically. Board members participated via web conference.</p>
<p><b>PRESENT</b></p>	<p><b><u>Directors:</u></b> Tom DeLong, Chairman; Gary Newman, Vice Chairman; Bill Nordmark, Treasurer; John Sloan, Secretary; Rick Schikora; Chris Bunch and Dave Messier.</p> <p><b><u>Staff:</u></b> John Burns, Interim President &amp; CEO; Ron Woolf, Vice President Finance &amp; CFO; Leo Quiachon, Vice President Engineering Services; Bill Kirkenir, Vice President Strategic Development; Pete Sarauer, Power Systems Manager; Dan Bishop, Manager of Engineering Services; Sarah Villalon, Controller; Tim DeMarre, Engineer II; Corinne Bradish, Public Relations Officer and Susan Redlin, Executive Administrative Assistant.</p> <p><b><u>Members:</u></b> (telephonically): District 1: Phil Wight. District 2: Savannah Fletcher and Mike Musick. District 3: Ron Arnold, Alison Carter and Rick Solie.</p> <p><b><u>Consultants:</u></b> Ryan Donovan and Joe Motuliak, ACES. Henri Dale, H. Dale, LLC. Dave Murrow, Murrow Media.</p>
<p><b>CALL TO ORDER</b></p>	<p>Chairman DeLong called the meeting to order at 4:30 p.m.</p>
<p><b>EXECUTIVE SESSION</b></p>	<p>At 4:31 p.m., without objection, the board convened into executive session to discuss certain legal and financial issues (Fuel Supply Presentation; Financial Discussions: 2019 Audit, Proposed 2020 COVID-19 Budget Cuts and Contingencies and Proposed Amendments to GVEA Policies; Power Generation/Costs; Soldotna-to-Quartz Creek Transmission Line</p>

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<b>EXECUTIVE SESSION (Continued)</b>	<p>Update and Attorneys' Reports), the immediate knowledge of which could have an adverse impact on GVEA.</p> <p>At 5:30 p.m., Messrs. Donovan, Motuliak and Sarauer departed the meeting.</p> <p>At 5:36 p.m., Mr. Woolf and Ms. Rixie were excused from the meeting. At 5:52 p.m., they rejoined the meeting.</p> <p>At 6:11 p.m., Ms. Rixie departed the meeting.</p> <p>At 6:26 p.m., without objection, the board came out of executive session.</p>
<b>BREAK/OPEN SESSION</b>	<p>At 6:27 p.m., Chairman DeLong declared a short break. The meeting resumed at 6:30 p.m.; Messrs. Quiachon, Kirkenir, Bishop, Sarauer, DeMarre, Murrow, Ms. Bradish and members joined the meeting.</p>
<b>SAFETY MOMENT</b>	<p>Mr. DeLong spoke about ladder safety when cleaning roof gutters.</p>
<b>BATTERY ENERGY STORAGE SYSTEM (BESS) REPLACEMENT/ UPGRADES RFP PRESENTATION</b>	<p>Mr. Bishop gave a presentation on GVEA's BESS Upgrade/Replacement Request for Proposal. The board asked questions of Mr. Bishop, which he answered.</p>
<b>VOLTAGE OPTIMIZATION PRESENTATION</b>	<p>Mr. Sarauer gave a presentation on voltage optimization for load control and peak shaving. The board asked questions of Mr. Sarauer, which he answered.</p> <p>At 7:38 p.m., Messrs. Kirkenir and Sarauer departed the meeting.</p>
<b>ELECTRIC VEHICLE INFRASTRUCTURE PRESENTATION</b>	<p>Mr. DeMarre gave a presentation on GVEA's efforts to host electric vehicle charging stations. The board asked questions of Mr. DeMarre, which he answered.</p>
<b>EXTEND MEETING/BREAK</b>	<p>At 8 p.m., Chairman DeLong extended the meeting for 30 minutes. Following, he declared a break. Messrs. DeMarre, Quiachon and Bishop departed the meeting. The meeting resumed at 8:05 p.m.</p>

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<p><b>MEMBER COMMENTS</b></p>	<p>Mr. Solie's comments were related to the staff presentations.</p> <p>Mr. Arnold spoke against fossil fuels and in favor green energy.</p> <p>Ms. Fletcher also commented on the staff presentations and requested a service territory map be posted on GVEA's external web that includes all seven voting districts.</p> <p>Mr. Musick commented on the staff presentations and said Solarize Fairbanks is seeking financial assistance.</p> <p>Mr. Wight also spoke in favor of updating GVEA's service territory map on the external web, said he is excited to see GVEA's support for the development of electric vehicle infrastructure and commented that electric cars are the electric load of the future.</p>
<p><b>APPROVAL OF THE AGENDA AND ADOPTION OF THE CONSENT AGENDA</b></p>	<p>Mr. Schikora moved to approve the Agenda. Mr. Sloan seconded the motion; the motion passed.</p> <p>The Consent Agenda included:</p> <ul style="list-style-type: none"> <li>• Approval of the March 30, 2020 Regular Board Meeting Minutes.</li> <li>• Approval of the April 8, 2020 Special Board Meeting Minutes.</li> <li>• Approval of the April 16, 2020 Special Board Meeting Minutes.</li> <li>• Review of the Safety Officer's March 2020 Report.</li> </ul>
<p><b>FAR COMMITTEE RECOMMENDATIONS</b></p>	<p><b>Accepting the 2019 Audited Consolidated Financial Statements:</b> As Chairman of the Finance, Audit &amp; Rate Committee (FAR), Mr. Schikora moved to approve Resolution No. 106-20: Accepting the Audited Consolidated Financial Statements for 2019 and 2018 as discussed with GVEA's independent auditors, BDO, in the executive session held electronically with the FAR Committee on April 14, 2020. The motion passed.</p> <p><b>Approving Proposed 2020 COVID-19 Budget Cuts and Contingencies:</b> As Chairman of the FAR Committee, Mr. Schikora moved to approve the proposed 2020 COVID-19 budget cuts and contingencies as presented by staff in executive session during the April 14, 2020 FAR Committee meeting. The motion passed.</p>

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<p><b>FAR COMMITTEE RECOMMENDATIONS (Continued)</b></p>	<p><b>Approving an Amendment to Policy 3.6.3 – Executive Benefits:</b> As Chairman of the FAR Committee, Mr. Schikora moved to approve an amendment to Policy 3.6.3 – "Executive Employee Benefits" - as presented by staff in executive session during the April 14, 2020 FAR Committee meeting and that the board of directors recognize the timeliness of the proposed policy amendment dictates that it come through the FAR Committee rather than through the Administrative Committee as is the usual practice for policy amendments. The motion passed.</p> <p><b>Approving an Amendment to Policy 2.6: Directors' Meeting Fees, Expenses and Transportation:</b> As Chairman of the FAR Committee, Mr. Schikora moved to approve an amendment to Policy 2.6 – Directors' Fees, Expenses and Transportation to cut its board meeting fees by 10 percent for three months starting May 1, 2020 as discussed and recommended during the April 14, 2020 FAR Committee meeting and that the board of directors recognize the timeliness of the proposed policy amendment dictates that it come through the FAR Committee rather than through the Administrative Committee as is the usual practice for policy amendments.</p> <p>Mr. Newman moved to amend the motion by increasing the reduction in board meeting fees to 20 percent. Mr. Messier seconded the motion to amend. After discussion, the amendment passed.</p> <p>Mr. Messier moved to amend the motion as amended to remove the words "<i>for three months</i>". Mr. DeLong seconded the motion to amend. After discussion, the amendment passed.</p> <p>Following discussion, the motion as amended; to reduce board fees by 20 percent, passed.</p>
<p><b>EXTEND MEETING</b></p>	<p>At 8:30 p.m., Mr. Bunch moved to extend the meeting for 30 minutes. Mr. Sloan seconded the motion; the motion passed.</p>
<p><b>2020 ANNUAL MEETING UPDATE</b></p>	<p>Ms. Bradish and Mr. Murrow gave an overview of the 2020 Annual Members' Meeting.</p> <p>The board asked questions of Ms. Bradish and Mr. Murrow, which they answered.</p>

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	At 8:45 p.m., they departed the meeting.
<p><b>APPROVAL OF RESOLUTION NO. 108-20: ALLOCATING 2019 MARGINS</b></p>	<p>Chairman DeLong introduced Resolution No. 108-20:</p> <p style="text-align: center;"><b>ALLOCATION OF 2019 MARGINS</b></p> <p><b>WHEREAS</b>, Golden Valley Electric Association, Inc. (Association) desires to allocate 2019 Margins in the amount of \$11,243,052 to members as required by the Internal Revenue Code for 501(c)(12) tax status; and</p> <p><b>WHEREAS</b>, the Board of Directors pursuant to the Association bylaws is directed to allocate capital credits and to distinguish between Operating Margins and Non-operating Margins; and</p> <p><b>WHEREAS</b>, the Board of Directors has reviewed for 2019 the Association's financial position, results of operations, financial statements and the audit report of the Association's auditors; and</p> <p><b>THEREFORE, BE IT RESOLVED</b>, by the Board of Directors of the Association, to allocate all of the 2019 Operating Margins in the amount of \$4,375,915 to Association members on a patronage basis; and</p> <p><b>BE IT RESOLVED</b>, to allocate a portion of the 2019 Non-operating Margins of \$1,864,194 which represents Margins allocated to GVEA from related organizations to Association members on a patronage basis; and</p> <p><b>BE IT RESOLVED</b>, to allocate \$5,002,943 representing the remaining portion of 2019 Non-operating Margins as Class B Patronage Capital.</p> <p>Mr. Newman moved to approve Resolution No. 108-20. Mr. Sloan seconded the motion. Following discussion, the motion passed.</p>
<p><b>ON-GOING REPORTS</b></p>	<p><b>ARECA INSURANCE EXCHANGE REPORT</b> – Mr. Schikora reported that the trustees plan to meet on the week of May 4, 2020 with AM Best.</p> <p><b>NRECA DIRECTOR ADVISORY COMMITTEE</b> - Mr. Newman's written report was included in the board packet.</p>

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<p><b>MANAGEMENT REPORTS</b></p>	<p><b>CEO REPORT</b> – Mr. Burns reported that the May 26, 2020 board meeting agenda will include staff presentations on on-bill financing and levelized cost of energy. He also reported that staff is working on a plan to transition employees back to the workplace and that staff is monitoring GVEA's energy load as a result of business shutdowns due to the COVID-19 crisis.</p> <p><b>SNAP SUMMARY</b> – The March 2020 SNAP Summary was included in the board packet.</p> <p><b>FINANCIAL REPORTS/FORM 7</b> – The March 2020 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 answered.</p>
<p><b>DIRECTOR COMMENTS</b></p>	<p>Messrs. Bunch and Nordmark thanked staff for the informative presentations.</p> <p>Mr. Sloan thanked Mr. Burns for the phone calls over the weekend to prepare for the board meeting.</p> <p>Messrs. Messier, Schikora, Newman and DeLong expressed their appreciation to staff for their commitment and dedication during the COVID-19 crisis.</p>
<p><b>ADJOURNMENT</b></p>	<p>At 9 p.m., without objection, Chairman DeLong declared the meeting adjourned.</p>

  
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**Tom DeLong, Chairman**

  
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**John Sloan, Secretary**

  
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**Susan Redlin, Recording Secretary**