

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

**February 19, 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 February 19, 2019.</p>
PRESENT	<p><u>Directors:</u> Rick Schikora, Chairman; Tom DeLong, Vice Chairman (<i>via telephone</i>); Bill Nordmark, Treasurer; John Sloan, Secretary (<i>via telephone</i>); Chris Bunch; Gary Newman and Dave Messier.</p> <p><u>Staff:</u> Cory Borgeson, President & CEO; John Burns, Vice President & General Counsel (<i>via telephone</i>); Leo Quiachon, Vice President Engineering; Bill Kirkenir, Acting Vice President Power Supply; Jeremy Forsting, Construction Services Manager; Luann Berkley, Public Relations Assistant and Susan Redlin, Executive Administrative Assistant.</p> <p><u>Members:</u></p> <p>District 1: Alyssa Crawford, Tristan Glowa, George Salmon and Peter Van Flein.</p> <p>District 2: Diane Preston and Richard Theilmann.</p> <p>District 3: Alison Carter.</p> <p>District 4: Heidi Titchenal.</p> <p>District 5: Karl Monetti.</p>
CALL TO ORDER	<p>Chairman Schikora called the meeting to order at 5 p.m.</p>
EXECUTIVE SESSION	<p>At 5:01 p.m., without objection, the board convened into executive session to discuss legal and financial issues (GVEA Joint Use Agreements: Small Cell Technologies; PURPA Update; Sale of GVEA's Pipeline; Attorney Reports and PM 2.5 Air Quality Issues), the immediate knowledge of which could have an adverse impact on GVEA.</p> <p>At 5:51 p.m., Chairman Schikora declared a break.</p> <p>At 5:52 p.m., Messrs. Forsting, Kirkenir and Quiachon departed the meeting.</p> <p>The meeting in executive session resumed at 5:55 p.m.</p> <p>At 6:29 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; Ms. Berkley and members joined the meeting.
SAFETY MOMENT	Mr. Newman spoke about how to pass slower moving cars during significant snowfalls; directors shared their perspectives.
MEMBER COMMENTS/MAC REPORT	<p>Mr. Monetti commented in favor of increasing demand-side management and reinvigorating GVEA's energy efficiency programs. He spoke against extending the life of Healy Unit 1 and said he was thankful for the SMART meter notification that recently alerted him that his home was without power.</p> <p>Mr. Salmon commented on Eco Green Generation's (EGG) proposal and GVEA's avoided-cost calculations; spoke against extending the life of Healy Unit 1; spoke in favor of reinvigorating GVEA's energy efficiency programs, and expansion of wind turbines at Eva Creek.</p> <p>Ms. Titchenal commended GVEA's Member Services Department for wonderful customer service during a recent property transaction.</p> <p>Mr. Van Flein reported on the February 13, 2019 MAC Meeting.</p> <p>Ms. Crawford encouraged the board to pursue providing broadband services and said she is unhappy with the Member Comments portion of the GVEA board meeting being limited to members only.</p> <p>Mr. Theilmann commented on the February 13, 2019 MAC meeting and noted that committee members had concerns regarding the scale of the EGG proposal, providing one-third of GVEA's demand.</p> <p>Ms. Preston thanked the board for the adoption of the Carbon Reduction Goal Policy; encouraged GVEA to increase energy efficiency programs and asked the board to consider time-of-day metering and adding more pads at the Eva Creek Wind Farm. She spoke in support for EGG and provided the board with a copy of an interview entitled "Before It's Too Late" — Mary DeMocker, The Sun Magazine.</p> <p>Mr. Glowa also thanked the board for the adoption of the Carbon Reduction Goal Policy; thanked Mr. Borgeson and Ms. Knight (GVEA's Environmental Officer) for a recent meeting where they explained some of GVEA challenges regarding renewables and carbon reduction, and</p>

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<p>MEMBER COMMENTS/MAC REPORT (Continued)</p>	<p>spoke about the Seven Cooperative Principles and member-owner engagement.</p> <p>At 7:10 p.m., Ms. Berkley departed the meeting.</p>
<p>APPROVAL OF THE AGENDA AND ADOPTION OF THE CONSENT AGENDA</p>	<p>Mr. Newman 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 January 21, 2019 Regular Board Meeting Minutes. • Review of the Safety Officer's January 2019 Report. • Review of the Fourth Quarter 2018 Board and CEO Expenses.
<p>APPROVE RESOLUTION 100-19: ACCEPTING AMENDMENT 1 TO THE DECEMBER 12, 2016 FOUR-YEAR CONSTRUCTION WORK PLAN</p>	<p>Chairman Schikora introduced Resolution No. 100-19:</p> <p style="text-align: center;">ACCEPTING AMENDMENT 1 TO THE DECEMBER 12, 2016 FOUR-YEAR CONSTRUCTION WORK PLAN</p> <p>WHEREAS, on December 12th, 2016 the Board of Directors of Golden Valley Electric Association, Inc. (GVEA) approved a Four-Year Construction Work Plan; and</p> <p>WHEREAS, the Rural Utilities Service (RUS) has previously approved the 2017-2020 Construction Work Plan for Golden Valley Electric Association, Inc. (GVEA); and</p> <p>WHEREAS, existing equipment that was not identified in the 2017-2020 Four-Year construction work plan has been deemed in need of replacement, GVEA desires to amend the 2017-2020 Construction Work Plan as follows:</p> <p>Amendment 1:</p> <p>1) <i>Modify: Bulk Oil Circuit Breaker Upgrades</i> (CFR Code: 1034) Estimated cost: \$3,500,000 with <i>Bulk Oil and Gas Filled Circuit Breaker Upgrades</i> (CFR Code: 1034) Estimated cost: \$4,500,000.</p> <p>The work scope for this project is being increased to cover aging gas filled breakers in addition to oil filled breakers, which are in need of replacement. This cost represents a total cost for the replacement of 40 circuit breakers, so the proposed project and cost will be spread over the 2017-2020 Construction Work Plan as well as the future new work plan.</p> <p>2) <i>Add: Replace Reclosers in Distribution Substations</i> (CFR Code: 538) Estimated cost: \$475,000.</p> <p>This project exists in GVEA's Long Range Plan but was not called out in the 2017-2020 Construction Work Plan. It is now becoming apparent that aging reclosers of various makes and models are in need of replacement much sooner than previously expected.</p>

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<p>APPROVE RESOLUTION 100-19: ACCEPTING AMENDMENT 1 TO THE DECEMBER 12, 2016 FOUR-YEAR CONSTRUCTION WORK PLAN (Continued)</p>	<p>THEREFORE BE IT RESOLVED, by the Board of Directors of Golden Valley Electric Association, Inc. (GVEA) that Amendment 1 to the December 12th, 2016, Four-Year Construction Work Plan be hereby accepted, and</p> <p>BE IT FURTHER RESOLVED, that a copy of the Golden Valley Electric Association, Inc. (GVEA) Construction Work Plan Amendment 1 be submitted to the RUS for review and acceptance.</p> <p>Mr. Nordmark moved to approve Resolution No. 100-19. Mr. Messier seconded the motion. Following discussion, the motion passed.</p> <p>At 7:22 p.m., Mr. Glowa departed the meeting.</p>
<p>ONGOING REPORTS</p>	<p>ALASKA POWER ASSOCIATION (APA) REPORT – Mr. Sloan reported on the APA Board of Directors meeting held on January 31, 2019.</p> <p>ARECA INSURANCE EXCHANGE – Mr. Schikora reported that the ARECA Insurance Exchange Board of Trustees will meet on March 5, 2019.</p> <p>ARCTEC – Mr. DeLong gave an update on ARCTEC activities and reported that the next meeting is scheduled for February 27, 2019.</p> <p>BOARD CALENDAR – The board reviewed its calendar.</p> <p>MAC REPORT – Mr. Schikora reported on the February 13, 2019 MAC meeting.</p>
<p>MANAGEMENT REPORTS</p>	<p>CEO REPORT – Mr. Borgeson gave a presentation on the status of the Certificate of Public Convenience and Necessity for the Railbelt TRANSCO.</p> <p>At 7:51 p.m., Mr. Van Flein departed the meeting.</p> <p>At 7:59 p.m., Ms. Crawford departed the meeting.</p> <p>PROGRESS REPORTS – Progress Reports, used for management purposes, were include in the board packet; various board members asked questions.</p>
<p>DIRECTOR COMMENTS</p>	<p>Mr. DeLong said he greatly appreciated attending the 2019 NRECA Directors' Conference and that the conference addressed very important issues. He reported he attended a governance class and that GVEA is approaching best in class.</p>

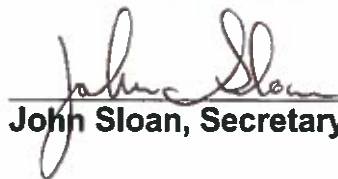
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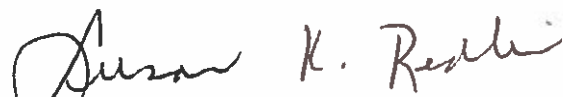
DIRECTOR COMMENTS (Continued)	<p>Mr. Sloan echoed Mr. DeLong's comments.</p> <p>Mr. Newman's written comments were included in the board packet. He also echoed Mr. DeLong's comments and said that board members who attended the conference will be submitting a joint written report. He thanked members for attending the board meeting and encouraged them to review GVEA's Form 7.</p> <p>Mr. Messier commented on RCA Docket No. U-19-003: In the Matter of the Petition to Increase Target TIER for Chugach Electric Association; said that the 2019 NRECA Directors' Conference was informative, especially the Battery Garden session, and he will be forwarding an invite to the board to attend an Alaska Center for Clean Power Happy Hour event.</p> <p>Mr. Bunch said that the 2019 NRECA Directors' Conference was great and that he also enjoyed the presentations on the Battery Garden and broadband. He suggested that an ad-hoc committee be formed to research broadband.</p> <p>Mr. Nordmark said the 2019 NRECA Conference was very informative and spoke about the recent passing of Jack Coghill.</p> <p>Mr. Schikora spoke about Governor Dunleavy's Fiscal Year 2019 Budget and advised that the billion-dollar Power Cost Equalization Endowment Fund, that has funded the PCE program and has been long supported by the APA, would be swept into the General Fund, which will fund PCE payments going forward.</p>
ADJOURNMENT	At 8:26 p.m., without objection, Chairman Schikora declared the meeting adjourned.



Rick Schikora, Chairman



John Sloan, Secretary



Susan K. Redlin, Recording Secretary