

**Minutes of the August 4, 2009 Board of Directors Regular Meeting  
Alaska Village Electric Cooperative, Inc.**

1. Call to Order, Determination of Quorum, Introduction of Guests

Chairman Charlie Curtis called the meeting of the board of directors of Alaska Village Electric Cooperative to order on August 4, 2009 at 1:30 p.m. Helena Jones and Walter Sampson were excused from the meeting. A quorum was determined with the following board members in attendance.

Charlie Curtis, Chairman  
Phyllis Clough, Secretary  
Fred Sagoonick, Director

Julia Walker, Director  
Robert Beans, Director

Others in attendance included:

Meera Kohler, President and CEO  
Roger Kemppel, Legal Counsel  
Amy Murphy, Executive Assistant

Brent Petrie, Mgr. Community Development  
Mark Teitzel, V.P. and Manager of Engineering  
Debbie Bullock, Manager of Administrative Services

2. Declaration of Conflicts of Interest

Chairman Curtis asked if there were any conflicts of interest to declare and there were none.

3. Approval of Minutes

**Upon a motion duly made and seconded, the minutes of the AVEC Board of Directors Organizational Meeting on June 5, 2009 and the Regular Meeting on June 5, 2009 were approved as presented.**

4. Director Trip Reports

There were no director trips to report.

5. President's Report

5a. Investment Update: There is no investment report today since we had a detailed one in June. Since then the market has been doing reasonably well. We'll have another investment report at the November meeting.

5b. Denali Commission Update: Brent Petrie distributed a copy of a recap of Denali Commission funding and current and proposed projects. There is approximately \$55 million in project work still outstanding. Brent briefly reviewed the status of the projects. He mentioned the new type of foundation being used at Brevig Mission and a problem encountered in Mekoryuk with the sand dredged from the harbor not stabilizing properly and some additional fixing is needed there. We received some AEA grants and are working on getting the paperwork completed before work can begin. Vandalism continues to be a problem in our communities and in some places the problem is worse than in others. Sometimes security guards have to be hired to protect sites and equipment and that drives up the costs of the projects. There is a lot of work going on and everybody has been busy. They were able to get some projects closed out which has been very helpful.

5c. Financial Statements: A copy of the latest financial statement was distributed. So far we show operating margins of \$3.2 million, but that doesn't mean we have a lot of excess cash. That high number is due to a change in how we accounted for our depreciation expenses and the new accounting software is tracking our depreciation more accurately. We will have to make some adjustments, which Meera explained. Other than that, things are right on track. There was some discussion about the amount we collect for fuel. The fuel rate is recalculated every October after we receive all of our fuel shipments, so we will have a new fuel rate then.

5d. Delinquent Account Update: Georgia distributed copies of information that gave a recap of the delinquent accounts and a new collection schedule. The collector we had hired decided to take a different job at the last minute so a new collector had to be hired and a new schedule worked out. The AMR meters are working well, making it much easier to download meter information and to perform disconnects. The state revenue sharing checks are starting to come out and some of the villages are starting to make payments on their accounts. Selawik and Ambler are slowly paying down their delinquent accounts. Kobuk still has the biggest delinquent account and Meera has been working with them to try to help them get things straightened out so they can start paying down

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their bill. They are committed to paying their delinquent account, but it will take a while as they don't have any money. Discussion ensued.

5d. Scholarship Update: Georgia developed a list of qualified scholarship applicants and said she needs direction from the board on what to do as far as award distribution. She was supposed to revise the scholarship program this year and apologized for not getting that done. She also apologized for not getting the scholarships reviewed sooner. Meera said it looks like we didn't have as many applicants as normal. Discussion ensued. Georgia was directed to e-mail the scholarship policy to the Scholarship Committee members and hold a telephonic conference as soon as possible to figure out what scholarships to award. School starts pretty soon so it's critical to notify students who won scholarship awards as soon as possible. We need to advertise that we have scholarships available for students who attend vocational schools that start at other times of the year.

Georgia mentioned that the annual meeting is scheduled for March 30 and the board meeting is March 29, at the same place as this year. Georgia promised that village annual meeting notices will get out on time and Meera wants them mailed by October 1. Meera would also like to create an annual meeting section on the Website so we can post information there for chairman and delegates to download.

5e. NRECA Director Candidacy: Charlie nominated Meera to run for election for the NRECA Director position. The election will be held at APA's annual meeting in Kenai. If Meera wins the election, she will give up her board seat on a couple other organizations to free up some of her time.

Meera said four secretaries from President Obama's cabinet are traveling to Alaska soon to get a first-hand look at things up here. This is a great opportunity to showcase Alaska and the unique challenges we face. They are traveling to Bethel and then over to Hooper Bay. Meera developed two white papers on issues facing rural Alaska to be handed out during a presentation. She hopes to promote continued financial assistance of the Denali Commission and the High Cost Energy Grant program.

5f. Annual Meeting Door Prize Policy: A copy of the current Village Annual Meeting Door Prize Policy was included in the packet. The board discussed various ways to provide more incentives for members to attend their annual meetings to make it easier for the chairmen to have a quorum. This is an issue that gets brought up at AVEC's annual meeting every year. Delegates mention the \$75 door prize has been in place for many years, even though the cost of living has increased substantially. They suggested increasing this amount to generate increased interest in attending the meetings. Discussion ensued. There was consensus to increase the \$75 door prize to \$250 and allow each chairman to decide how to split this amount, for example, they could award one certificate for \$250, or two certificates for \$125 or five for \$50. Georgia will also prepare and send a care package with various promotional items to each village to be used as additional door prize giveaways. Amy will order the items.

**Upon a motion duly made and seconded, the following proposed revisions to the Annual Meeting Door Prize Policy were approved as presented: increasing the amount of the main door prize drawing to \$250 and allowing the chairman to split the total amount as they see fit and sending out a box with small items to be used as additional door prizes. We will continue the \$20 credit on their electric bill for each member that attends their village meeting.**

5g. Bylaw changes to allow for smaller quorums at village annual meetings: Roger Kemppe led a discussion on various options for amending the bylaws to change quorum requirements. Roger explained the process involved and gave a breakdown of quorum numbers based on different percentages and minimums. Any changes to the bylaws have to be approved by the delegates at AVEC's annual meeting. After reviewing the different options, the board agreed to recommend changing the quorum requirements to 10% of the village membership or 10 people. Roger will prepare a resolution for the board to approve at the November meeting and it will be presented to the delegates at the annual meeting. We will inform the membership of this proposed bylaw change.

**Upon a motion duly made and seconded, the President's Report was approved as presented.**

6. Action Items

**6a. Upon a motion duly made and seconded, Resolution 09-18 Director Expenses was tabled until the next meeting.**

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**6b. Upon a motion duly made and seconded, Resolution 09-19 2009-2010 Schedule of Board Meetings was approved.**

**6c. Upon a motion duly made and seconded, Resolution 09-20 2008 Capital Credit Allocation and Retirement was approved as presented.**

7. Unfinished Business

**7a. President's Evaluation: A motion was duly made and seconded to increase the President and CEO's salary to the amount specified during her review and extend her contract for one year effective June 1, 2009. The goals the board set for the President to achieve will remain the same. The President is also authorized to look for a new car. The motion was approved.**

8. New Business

**8a. Strategic Plan**: Discussed briefly. AVEC staff will continue to follow goals outlined in the plan. Another Strategic Plan review session may be planned in conjunction with a future board meeting.

9. Executive Session

**Upon a motion duly made and seconded, the Board moved into executive session at 2:40 p.m. to discuss legal issues. The Board moved out of Executive Session and back into their regular meeting at 2:47 p.m.**

10. Board Comments

Robert Beans asked everybody to keep his brother Joe in their prayers. He has a growth in his nose that is cancerous and he's undergoing treatment. He has lost a lot of weight. Other than that, things are going well.

Fred Sagoonick said it was a good meeting. Thanks to the staff for all their hard work. He thought the memory training session was great.

Phyllis Clough is pleased with AVEC's leadership and staff. We are working hard to build infrastructure to help serve our members and keep electric power costs affordable and reliable. She is proud to be on the board. Let's continue working to keep the PCE program intact. Thanks to all the staff and board members for their efforts.

Julia Walker said congratulations Meera for doing a great job. The recent turnover in the state government is interesting. Helena wasn't able to make it to the meeting due to a death in the family so let's remember to keep her in our thoughts and prayers during these trying times. Her job starts next week. Have a good rest of the summer.

Charlie Curtis said welcome Julia. We're very blessed to have dedicated board members and staff and he looks forward to these AVEC meetings. There is no tension and the atmosphere is good. The board is cohesive, which provides a good environment. Thanks to Meera and her staff. He feels blessed to be on this team. He said to have good hunting and be careful.

11. Next Meeting

The next meeting date is November 6, 2009.

12. Adjournment

Upon a motion duly made and seconded, Chairman Curtis adjourned the meeting at 2:55 p.m.

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Phyllis Clough, Secretary

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Charlie Curtis, Chairman