

**Minutes of the August 10, 2010 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 to order at 9:00 a.m. at the AVEC headquarters in Anchorage, Alaska. A quorum was determined with all of the board members in attendance with the exception of Julia Walker: Charlie Curtis; Walter Sampson; Helena Jones; Phyllis Clough; Fred Sagoonick; and Robert Beans.

Others in attendance included: Meera Kohler; Mark Teitzel; Debbie Bullock; Katie Millen; Roger Kemppe; Amy Murphy.

2. Declaration of Conflicts of Interest

Chairman Charlie asked for any conflicts of interest and there were none to declare.

3. Approval of Minutes

**Upon a motion duly made and seconded, the minutes of the AVEC Board of Directors Regular Meeting dated June 4, 2010 were approved as presented.**

4. Director Trip Reports

There were no director trips to report.

5. President's Report

5a. Denali Commission Update: Matt Metcalf distributed a copy of a report showing progress on community projects funded by the Denali Commission and other sources. Matt discussed projects worked on and/or completed last season and this season, including current wind construction projects in Mekoryuk, Toksook Bay, Chevak, Quinhagak and possibly Emmonak. A total of 14 wind turbines are scheduled to be installed and/or operational during the 2010/2011 construction season. Matt also mentioned a list of proposed 4<sup>th</sup> Round AEA Grant Funding applications we are preparing. A list of proposed projects for the 2011 season was also discussed, including the Brevig/Teller intertie. These projects are dependent upon receiving funding.

5b. Financial Statements: A copy of the latest financial statement was distributed. Meera said we are in our typical summer revenue downslide. So far we are still tracking to budget. Early yesterday morning we had an alarming surprise with smoke developing in the building in the upstairs hallway. We called 911 and the fire department and police responded. It turns out an employee overcooked a bagel and threw it in the trash and they hadn't mentioned anything about it.

A draft copy of the Form 990 was received last night and a copy was provided to the board members for them to review. Meera said we have requested a filing extension. This is a voluminous document with extremely detailed information. These forms are available to view online. All non-profits are required to file them.

5c. Delinquent Account Update: Katie Millen gave a brief update on the status of the delinquent accounts. Kobuk has substantially reduced the amount of money they owe, thanks to an employee who started billing residents for their electric power. Katie said the number of delinquent accounts appears lower than in the past and there have been fewer disconnects. Five-day letters get sent out before we disconnect meters and then we get a lot of phone calls and work with our members. Consumers have been paying their bills or using DPAs in order to avoid getting disconnected. We have saved a lot of money by not sending any collectors out to the villages. The AMR meters have proved to be very beneficial. These new meters are installed in all but five villages and those villages should have meters installed by the end of the year. Walter Sampson asked if we could use information from the electronic meters to prepare a graph of typical household use of power to give to the delegates at the annual meeting. Meera said that is a great idea. We will prepare graphs showing a trend in residential power usage for several different villages.

Katie provided a list of cities with significant delinquent accounts. She has been working with them to help the cities avoid having meters disconnected. The mission in St. Mary's was discussed.

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5d. Scholarship Update: Katie distributed a copy of a list of proposed scholarships to award, with the proposed awards broken out by field and points. There are 12 recipients for a total amount of \$10,000 awarded. Katie asked for approval to award these scholarships. More money is available to award scholarships to students who may apply for training or schooling sometime during the upcoming year.

**Upon a motion duly made and seconded, the Board approved the proposed distribution of \$10,000 in scholarship awards to 12 students.**

A 10-minute recess was called for at 10:10. Chairman Charlie had to leave so he turned the chair over to Walter Sampson.

5e. Building Addition Update: Meera said a crew finally started digging, late last week. There was a 2.5 month delay in starting this project due to problems getting approval for the building permit from the Municipality. Adequate parking to meet city code was the big issue we had to resolve before the Muni approved our permit. Meera explained the parking issue. The redesign of the building interior was finalized and office space has been shuffled. We will have a new central file storage system downstairs.

5f. Vitus Marine Update: Progress continues to be made on our tug and barges, with Sneed Marine in Texas being awarded the contract to build our barges. CFC approved our \$12 million loan with a favorable interest rate of 4.1%. We have a variance issue with the RUS that needs to be resolved before the loan is finalized. So far construction is on schedule. There has been a lot of interest expressed in the villages and she receives lots of calls from folks who are happy to hear about this strategy to reduce fuel costs. We are collecting name suggestions for the barges.

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

6. Action Items

**6a. Upon a motion duly made and seconded, Resolution 10-24 Director Expenses was approved as presented.**

**6b. Upon a motion duly made and seconded, Resolution 10-25 2010-2011 Schedule of Board Meetings was approved as presented.**

**6c. Upon a motion duly made and seconded, Resolution 10-26 2009 Capital Credit Allocation and Retirement was approved as presented.**

**6d. Upon a motion duly made and seconded, Resolution 10-27 Authorizing Changes to the NRECA 401(k) Pension Plan was approved as presented.**

**6e. Upon a motion duly made and seconded, Resolution 10-28 Authorizing Changes to the Annual Leave Policy was approved as presented.**

7. Unfinished Business

7a. Strategic Plan: A copy of the Strategic Plan is included in the board packet as a reminder that AVEC's staff is working hard to fulfill the goals the board set in the plan.

8. New Business

There was no new business to discuss.

9. Executive Session

There was no need to call an executive session. An ongoing legal case was settled but hasn't been signed yet.

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10. Board Comments

Phyllis Clough said it was really nice to have the training and thanks to Chugach Electric for allowing us to use their facilities. Refresher courses help make us all become better board members. Phyllis said thanks to the staff of AVEC, especially Meera. She's happy AVEC is taking steps to become more "green" by installing more renewable energy projects.

Helena Jones said she agrees with Phyllis and said thanks to Chugach Electric. It was really good to have the refresher courses to provide reminders of information that board members need to remember, especially long-term board members. She will gladly represent AVEC at the APA annual meeting. She hopes everybody has a good summer.

Robert Beans agrees with Phyllis and Helena. He sees lots of potential for this Web training. He would like to look at furthering his education and these courses help him learn more. Thanks to Chugach Electric.

Fred Sagoonick said ditto to all the previous statements. It's helpful to be able to interact during the class with the instructor who is on the east coast. He likes the fast-paced training session that provided good information. He mentioned a recent event that had caused some concern in the village. Meera said that management had followed up on the matter. Fred said the Jackson family said thanks for the food basket that was sent for the recent funeral. The death was really hard on the family.

Walter Sampson apologized he couldn't make the training but he had family issues. He made a statement about the recent legal case that was settled and said his role as a board member is to protect the co-op.

Charlie Curtis said thanks for the good meeting. It's good to have different viewpoints that allow for debate. The training sessions are helpful and he liked the fast-paced presentation.

11. Next Meeting

The next board meeting is November 12, 2010

12. Adjournment

**Upon a motion duly made and seconded, the meeting was adjourned at 10:50 a.m.**

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Phyllis Clough, Secretary

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Charlie Curtis, Chairman