

**Minutes of the March 26, 2012 Board of Directors Regular Meeting
Alaska Village Electric Cooperative, Inc.**

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

Chairman Charlie called the regular meeting of the AVEC Board of Directors to order at 1:45 p.m. on March 26, 2012 at the AVEC headquarters in Anchorage. A quorum was determined with the following board members in attendance:

Charlie Curtis	Walter Sampson	Helena Jones
Phyllis Clough	Robert Beans	Fred Sagoonick

Others in attendance included:

Meera Kohler	Mark Teitzel	Roger Kemppe
Katie Millen	Debbie Bullock	Mark Bryan
Brent Petrie	Amy Murphy	

2. Declaration of Conflicts of Interest

Chairman Charlie 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 regular meeting on January 6, 2012, were approved as presented.

4. Approve Audit Report

Upon a motion duly made and seconded, Resolution 12-08 Approve Audit Report, was approved as presented.

5. Director Trip Reports: Robert Beans said he was the only board member to go to APA's legislative conference in Juneau in February. The conference was well attended. The big ticket item was PCE. Meera testified on behalf of rural Alaska at a hearing regarding HB294, to raise the PCE ceiling level from 500 kW/month to 600 kW/month. This bill might not pass this year. The Susitna Dam project to service Railbelt utilities was discussed. He spoke with some of the legislators on the road system and they listened to him. Continued funding of the Renewable Energy bill was being discussed. Hopefully it passes.

6. President's Report:

6a. Denali Commission Update: Brent Petrie distributed copies of a list showing the status of projects funded by the Denali Commission and other organizations. We have almost \$8 million worth of projects in closeout and we're working on more. The AVEC match is \$16.9 million. In February AVEC submitted a long list to the Legislature requesting funding for capital projects, worth about \$138 million. There isn't much new going on with the Denali Commission program. The Shaktoolik wind turbine project is progressing slowly due to the bad weather which has really interfered with the work. Brent gave a brief update on the tieline between Brevig Mission and Teller that was damaged during the severe storm in November. We have been working with FEMA, who will only cover costs to make repairs up to the original set-up. The full extent of the damage to the underwater cable and the cost to repair it can't be determined until the ice melts. The Corps of Engineers will supervise the repair to the spit and road as they have expertise in that area. There was some discussion of the Toksook Bay right-of-way as the city isn't signing the right-of-way documents. Nuvista is developing a regional energy plan that includes a hydro-electric project. Some villages have the perception that Nuvista will replace AVEC, which is not true. Nuvista appears to be using the wrong numbers for costs in their region. They need to make the issues regarding dates and costs more clear.

6b. Financial Statement: A copy of the latest financial statement was included in the board packet, along with a copy of the year-end financial statements. We show an operating loss because of the undercollected cost of fuel. We filed an adjusted COPA with the RCA in December and we'll start collecting money to cover the extra cost of fuel. The long-form Form 7 was not done yet. Meera said we will e-mail a .pdf copy when it's completed.

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6c. Annual Meeting Update/Agenda: We have 69 delegates on their way to the annual meeting. An open house and registration starts at 4:00 p.m. at the hotel. A bus will bring delegates over to the office for a tour. There are three seats up for election. There were no major issues raised and the resolutions we received were pretty standard. Most of the questions were answered and will be provided to the delegates in their packet. Each delegate will only receive answers to their individual concerns and questions. There was some discussion about Norman Burgett from Huslia, who was under the impression that he is still a delegate, when in fact he isn't as Huslia lost a delegate due to a decrease in members. Meera said she told Norman AVEC would pay for his plane ticket but he is responsible for his lodging and he will not receive any per diem. A copy of the new streetlight tariff is included in the delegate packet along with a sheet comparing the cost of CFL bulbs vs. incandescent bulbs. STG is sponsoring the breakfast, so we'll be sure to recognize and thank them.

6e. Board Candidates: So far six candidates, Frank Myomick, Peter Demoski, Norman Burgett, Joseph Maillelle Sr., Helena Jones and Phyllis Clough, are running for election. Fred Sagoonick is the chair of the nominating committee and Robert Beans and Walter Sampson are committee members. The committee will solicit nominations during the meeting.

6f. Delinquent Updates: Katie included a list of delinquent accounts with balances over \$2,000, and it is less than one page. She and her staff have been working with the consumers to get their bills paid. Her department will start disconnection efforts in mid May and will start beefing up their collection efforts soon.

6g. Legislative Initiatives: Meera gave a brief recap of the status of various bills that impact AVEC and rural Alaska. The PCE program is fully funded this fiscal year. HB236 would provide a special energy appropriation, giving each adult who receives a PFD check either 250 gallons in diesel fuel or the equivalent in other forms, like 1,500 kWh in electricity. She is working with the bill's sponsors in both houses, trying to resolve a voucher system that various organizations would accept. She testified that this energy assistance would make a big difference, especially in rural Alaska. There are various issues to work out and the bill may not pass this session. Meera is going to an AVCP Housing regional meeting to discuss the Commonwealth North study on energy that she co-chaired. The title of the report is "Energy for a Sustainable Alaska, The Rural Conundrum." This study is being discussed throughout the state. She will revise the presentation for AVCP.

AVEC worked with RAFS to develop a tank demolition program. The first project was undertaken and completed in Savoonga and numerous empty tanks were cut up and moved to the landfill. This project requires all entities involved to come together to figure out where to dispose of the tanks as the community has to store the cut up tank pieces. It's about \$1,500 to clean a tank and \$2,000 to cut it up. RAFS is now in Selawik cutting up tanks. Locals are hired and trained to use a plasma cutter to cut up the tanks. We requested money through CAPSIS to demo more tanks. It sounds like the legislature and AEA both support this program. More projects that were submitted to CAPSIS for funding requests were discussed, including the hydro project for the Upper Kobuk area. Fuel delivery issues in Shungnak and Ambler were discussed. We are very unhappy with the performance of KEA's wind project in Wales. It provides no value to the community at all and actually costs us money. The wind project needs to be cut off, even though KEA still wants to try to fix it. Meera provided a copy of a response letter she and Charlie wrote to OTZ Telephone regarding a letter they sent regarding the pole attachment agreement. Charlie asked them to work with Meera to resolve the pole attachment agreement and payment.

6h. Electronic Board Materials: Some research has been done on purchasing I-Pads for the board members to use for business purposes. Charlie has one and really likes it. Sherry provided a brief recap of this project and said there are numerous issues to resolve. She's looking to see how other organizations are doing it. She will try to set up a test system to see how it works. Discussion ensued.

6i. Board Meeting Schedule: A copy of the board meeting schedule for 2012 was included in the board packet. The APA annual meeting is August 9-10. Board members attending this meeting can use August 8 as a travel day to Juneau. We'll hold our board meeting on August 7th with strategic planning on August 6th.

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

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7. Action Items

Upon a motion duly made and seconded, Resolution 12-09 Consent Agenda, including Resolutions 12-10 Director Expenses, 12-11 Year-End Records Cut Off, and 12-12 2011 AVEC Annual Report, was approved as presented.

8. Unfinished Business

8a. Strategic Plan Review: A copy of the strategic plan was included in the board packet. Meera said we continue to pursue the goals the board set. Nearly 5% of our gross power generation in 2011 came from wind. The board would like to have a Strategic Planning retreat to review the plan on May 31, the day before the June 1 board meeting.

9. New Business

There was no new business to discuss.

10. Executive Session

There was no need for an executive session.

11. Board Comments

Walter Sampson said this was a good meeting. He's looking forward to the annual meeting tomorrow.

Phyllis Clough said her main concern is still the PCE Program as it's vital to rural Alaskans. She's proud of Meera, the staff and the board for all their hard work. She hopes to get re-elected. The board works well together.

Fred Sagoonick agreed that this was a good meeting.

Helena Jones said this was a good meeting. She hopes to get re-elected. She requested prayers for her family as her mom's health is getting worse.

Meera Kohler said thanks to Mark Teitzel for his dedication over the past 32 years as he had to work some very long days sometimes.

12. Adjournment

Upon a motion duly made and seconded, Chairman Charlie Curtis adjourned the meeting at 3:17 p.m.

Charlie Curtis, Chairman

Phyllis Clough, Secretary