

AVEC Board of Directors Regular Meeting Minutes September 8, 2014

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

Chairman Robert Beans was running a few minutes late so Vice Chairman Charlie Curtis called the AVEC board of directors meeting to order at 10:00 a.m. on September 8, 2014, at the AVEC headquarters. Phyllis Clough delivered the invocation. A quorum was ascertained with the following board members in attendance. Robert Beans arrived at 10:08 a.m.

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

Other in attendance include:

Meera Kohler	Mark Bryan	Bill Stamm	Steve Gilbert
Katie Millen	Debbie Bullock	Roger Kemppe	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 dated June 20, 2014 were approved as presented.

4. Director Trip Reports

Peter Demoski said he flew to Colorado Springs to attend the NRECA Director Training. He is now a CCD. He said it was really hot, over 100 degrees every day. He was surprised to see how most of the other directors were older with gray hair. He expected to see more people younger than him there. A lot of attendees were surprised to learn how big AVEC's service territory is as it's bigger than a lot of states. The training was interesting and he learned a lot. Thank you for sending him there.

5. President's Report

President Meera Kohler said a lot of the information she has to report on is included in the board packet for the board to review. She said she would like to show a Powerpoint presentation that she recently presented to the RCA during a public hearing. The presentation provided an update on the Bethel Utilities Corporation acquisition and a problem with the PCE program that will adversely impact more cooperatives in the future, including AVEC.

5a. Energy Projects Update: Included in the board packet.

5b. Financial Statements: Included in the board packet.

5c. Delinquent Account Update: Included in the board packet.

5d. Scholarship Update: Included in the board packet.

5e. Fuel Delivery Update: Included in the board packet.

5f. Investment Update: Mark Barnum with UBS provided an electronic version of the Quarterly Investment Report and a Powerpoint presentation that he referred to as he gave an update on the status of AVEC's investment portfolio. Mark introduced Tammy Head with the Anchorage office who will start working on our account. Mark said we need to revise the investment policy and he will bring suggested revisions to the next board meeting. Overall our portfolio has had a good year.

5g. ACRE/CARE membership: All of the board members agreed to make a contribution to APA's AK Care program. Robert Beans made a contribution of \$100, with all of it going to AK CARE and the rest of the

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board members contributed \$50, split 50/50 between ACRE and AK CARE. The contributions will be deducted from the board members' per diem.

5h. ARECA Insurance Exchange Letter: This letter provides information about ARECA's consulting and broker arrangement with Federated Rural Electric Insurance Exchange (Federated) that began on May 1, 2014. Federated actually writes the insurance for their subscribers (members) and their subscribers are the actual owners of the insurance exchange. Federated offers a lot of value-added services to its subscribers that are beneficial to APA's members.

Meera said we received a state grant that will be used to buy meters for Bethel. Elster gave us a good quote. We will install pre-pay meters in buildings and areas that have a high turnover rate. We received a USDA Rural Business Enterprise Grant to conduct 42 commercial energy audits in our communities. Our partner in this project, Energy Efficiency and Renewable Energy Advocates, will do most of the work and they are putting the process together. Information about this program will be published in the October Ruralite and we will start accepting applications in October. A community will have to have a minimum of two audit requests for a visit to be scheduled. The audit comes at no cost to recipients, but they have to promise to pursue at least one of the recommendations coming out of the audit or they'll be assessed a \$250 fee for the service. Our next meetings are November 13 and 14. We will have a public hearing at noon on November 13 to get public input on the proposed bylaw changes and tariff revisions. We will also hold a strategic planning session on the 13th.

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

6. Action Items

6a. Upon a motion duly made and seconded, Resolution 14-23 Director Expenses was approved as presented.

6b. Upon a motion duly made and seconded, Resolution 14-24 2014-2015 Schedule of Board Meetings was approved as presented.

6c. Upon a motion duly made and seconded, Resolution 14-25 First Amendment to Loan Agreement with CFC Meetings was approved as presented.

6d. Upon a motion duly made and seconded, Resolution 14-26 First Amendment to Loan Agreement with NCSC was approved as presented.

6e. Upon a motion duly made and seconded, Resolution 14-27 Capital Credits Retirement was approved as presented.

7. Unfinished Business

7a. APA Annual Meeting and Director Training September 10-12, Valdez: All of the board members, with the exception of Walter Sampson, are traveling to Valdez to participate in this meeting and training.

7b. Strategic Plan – posted in Sharefile for review purposes.

8. Executive Session

Upon a motion duly made and seconded, the board moved into Executive Session at 11:29 a.m. AVEC Staff was allowed to stay in the meeting. **The board moved out of Executive Session and back into the regular meeting at 11:37 a.m.** No action was taken.

9. Board Comments

Helena Jones is looking forward to going to Valdez. Phyllis Clough is glad that we continue to work together to make things better in our communities without raising our rates. Thanks to everybody for their hard work.

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Walter Sampson said have a safe trip to Valdez. He would have gone but he has to go to doctor appointments instead.

10. Next Meeting: Strategic Planning Retreat on November 13 and Board Meeting on November 14, 2014.

11. Adjournment

Upon a motion duly made and seconded, Chairman Beans adjourned the meeting at 11:45 a.m.

Phyllis Clough, Secretary

Robert Beans, Chairman