



NAKNEK ELECTRIC ASSOCIATION INC

ANNUAL MEMBERSHIP MEETING MINUTES

April 11, 2019

1. CALL TO ORDER | President Nanci Lyon called the 59th Annual Membership Meeting of Naknek Electric Association Inc to order at 5:37pm. The meeting was held in the Bristol Bay Borough School Auditorium in Naknek, Alaska. President Lyon stated that there were 642 members on record. A quorum was reached by 5:00 PM with 71 members signed in and present at the meeting.

President Lyon introduced Dan O'Hara who delivered the invocation. She then asked everyone to stay standing for the Pledge of Allegiance, which was led by Grassroots Delegate Madison DeSoto, and to remain standing for a moment of silence in honor of those serving in the military.

2. READING OF THE NOTICE OF THE ANNUAL MEETING AND AFFIDAVIT OF MAILING | President Lyon stated that she had the Official Notice for the 2019 Annual Membership Meeting and the Affidavit of Mailing to all 642 members of record on March 18th 2019. She asked for a motion to waive the reading of the Notice and the Affidavit of Mailing.

IT WAS MOVED, SECONDED AND UNANIMOUSLY PASSED to waive the reading and add the Notice of the 2019 Annual Membership Meeting and the Affidavit of Mailing to the record.

3. READING AND APPROVAL OF THE MINUTES | President Lyon asked if there were any corrections to the April 14, 2018 Annual Membership Meeting Minutes that were included in the 2019 Annual Meeting program. Hearing none, she asked for a motion to approve them as written.

IT WAS MOVED, SECONDED AND PASSED UNANIMOUSLY to waive the reading and approve the 2018 Annual Membership Meeting Minutes as written.

4. BOARD PRESIDENT'S REPORT | President Lyon introduced herself and the members of the Board of Directors; Vice President Tim McDermott, Secretary/Treasurer Lisa Anderson, Director Dale Peters, Director Calvin Riddle and Director Earl Hubb. Director Richard Sherman was not present at the meeting and was excused due to illness. Also present on stage was CEO/General Manager Dianne King, Chief Financial Officer Mark Huber, Construction Work Project Manager Frank Weiss, Corporate Attorney Andy Leman and Recording Secretary Lynn Peters.

President Lyon outlined the significant milestones that had been reached in 2018 to increase generation capacity that would efficiently and effectively help to meet member needs. She continued and stated she was proud to announce that the new power plant is online and ready to deliver additional power to seafood processors this summer. President Lyon thanked General Manager Dianne King, CWP Manager Frank Weiss and CFO Mark Huber for ensuring that the project was delivered ahead of schedule.

She also highlighted that Amy Fenerty would provide detail about the stability of cooperative finances and continued to state that the board was ready to move forward and focus their attention on priorities including maintenance, education, homegrown workforce development and expansion of additional green energy resources. She updated the membership on the pending lawsuit against former General Manager Vukich and stated that there is still an opportunity to submit a victim impact statement to the courts by the April 24th deadline in advance of the sentencing scheduled for May 16th 2019.

5. GENERAL MANAGER'S REPORT | Manager King stated the 6.7 megawatt increase in generation capacity with the new fuel efficient CAT C280 Gensets was a productive improvement and she thanked the community for their patience during scheduled outages. She also recognized CONAM Construction and EPS for their hard work and support. She continued and stated that now that the plant project is complete, the cooperative is in a good position to initiate a long term plan to upgrade existing infrastructure. One of those key upgrades would be working with the School District and the Borough to upgrade the recaptured heat system.

Manager King announced Ashlynn Young and Owen Singley as the students selected to participate in the Grassroots Delegates Program in Juneau. She emphasized the importance of Bristol Bay youth representing the community and stated that the trip was a great success. She also highlighted that Alvin Ivanoff, community member and homegrown hire, was training in Texas to receive a Journeyman Lineman Certificate and expressed optimism about reestablishing the apprenticeship program. She finalized her report by announcing the retirement of Operations Manager John Keck and thanked the community for their participation in the meeting and their continued support of the cooperative.

Manager King then introduced Construction Work Plan Manager Frank Weiss who delivered a presentation on the new generation plant project and Certified Public Accountant Amy Fenerty who introduced an overview of the 2018 financial audit report.

6. INTRODUCTION OF BOARD OF DIRECTORS CANDIDATES | Secretary/Treasurer Lisa Anderson orchestrated the first round of door prizes and introduced the Board of Directors Candidates. She stated that incumbents Dale Peters and Richard Sherman were both running for the two (2) three (3) year director seats and Calvin Riddle was running for the one (1) year seat.

7. CASTING & COUNTING OF BALLOTS | President Lyon entertained a motion to recess the meeting for refreshments so that the membership could cast their ballots and the Election Committee could complete

the balloting process. **IT WAS MOVED, SECONDED AND PASSED UNANIMOUSLY to recess the meeting at 6:43 PM.**

8. REPORT ON BALLOT RESULTS | The meeting was reconvened at 7:19 PM and Attorney Andy Leman announced the ballot results. He reported that 178 ballots had been cast by mail and in person at the meeting, 3 ballots were invalid. He noted that there were 13 write in candidates and announced that Dale Peters received a two year term with 153 votes, Richard Sherman received a two year term with 133 votes and Calvin Riddle received a one year term with 155 votes.

9. KEYNOTE SPEAKER | Meera Kohler introduced herself, her background and highlighted the importance of the years that she spent working for NEA in supporting her decision to continue to serve rural utilities as the CEO of Alaska Village Electric Cooperative. In addition to discussing AVEC's green energy generation capacity, customer base and villages served, she also highlighted their remote maintenance program. She discussed their governance and delegate elections process and was proud to announce that their entire board was Alaska Native. She continued and discussed the Power Cost Equalization program and its history to date.

10. UNFINISHED BUSINESS | President Lyon stated that there was no unfinished business and initiated the final round of door prizes.

11. NEW BUSINESS & QUESTIONS FROM MEMBERSHIP | President Lyon invited questions from the membership and Wesley Foster made comments about his preference of scheduling the Annual Membership Meeting a on Saturday. He also inquired about residential rate increases to support the generation capacity infrastructure costs to support the seafood industry. CFO Mark Huber responded and stated that the cost burden of the upgrades had been shifted to the seafood processors. Gail Aspelund inquired about the solar panels and Manager King stated that the array had produced enough to offset 480 gallons of fuel savings in the previous quarter. Josie Savo then expressed concern about streetlights in South Naknek and agreed with Mr. Foster that Saturday would be a better day for the next Annual Meeting. Paula Niedermeyer inquired about expanding the solar array to increase member savings and Manager King stated that such an expansion was not in the current budget.

12. ADJOURNMENT | President Lyon Adjourned the meeting at 8:00 PM.