



# Barrow Utilities and Electric Cooperative, Inc.

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**ANNUAL MEETING**  
Thursday, April 6, 2017  
**Barrow High School Auditorium**  
**7:30 p.m.**

**\*\*DRAFT\*\***

## **I. Call to Order**

President Price E. Brower called the meeting to order at 7:33 p.m. and welcomed all the members to the meeting.

**Board Members Present:** Frederick F. Brower, Director; Lewis F. Brower, Director; Price E. Brower, President; Avaiyak Burnell, Director; Roy M. Nageak, Sr., Vice President; Don A. Nungasak, Secretary/Treasurer; Richard Ungarook, Sr., Director; Tina A. Wolgemuth, Director

**Board Members Absent:** Michael D. Stotts, Director

Members' voting registration closed at 7:52 p.m.

## **I. Determination of a Quorum**

The current membership count of Barrow Utilities and Electric Cooperative, Inc., verified by the Board at the 7:00 p.m. Membership Meeting, is comprised 1,120 eligible voting members as of close of business on April 6, 2017. The Bylaws of the Cooperative require at least ten percent (10%) of the members be present at the Annual Meeting to establish a quorum. Thus 120 members represent a quorum. There were 252 members present and are listed as follows:

[names redacted in online version.]

## **II. Invocation**

Invocation was given by member Wesley Aiken.

## **III. Appointment of Parliamentarian**

President Price E. Brower appointed the BUECI General Counsel John Andrew Leman of Kempel, Huffman and Ellis, P.C., as parliamentarian for the Annual Meeting.

## **IV. Reading of *Notice of Minutes and Certification of Mailing*:**

President Price E. Brower read the *Notice of The Meeting* and *Certification of Mailing*. He announced that on March 17, 2017, all members were mailed a copy of the *Notice of the Meeting* as required by the Bylaws. *The Certification of Mailing* was signed by General Manager Ben L. Frantz.

## **V. Approval of Agenda**

A cooperative member (name inaudible) motioned, seconded by Director Frederick F. Brower, to approve the agenda. Questions called for. Motion carried.

## **VI. Approval of Minutes:**

President Price E. Brower presented the minutes of the April 7, 2016 Annual Meeting for approval. Member Lucille Adams motioned, seconded by member Patrick Griffin, to waive the reading of and approve the April 7, 2016 Annual Meeting Minutes as presented.

Question called for. Motion carried.

## **VII. Presentation of Reports**

### **a. President's Report**

President Price E. Brower presented the family of former Board Member, Doreen Ahgeak, with a plaque in recognition and appreciation of Doreen Ahgeak's contribution to the Cooperative as a Director.

Karen Sakeagak, retired Billing Supervisor, was recognized by President Price E. Brower for her 35 years of service to the Cooperative. President Price E. Brower also announced to the membership that Ms. Sakeagak was recognized by the Alaska Power Association at the 2016 Annual Membership Meeting where she was awarded the 2016 Hatcher-Williams-Turkington Employee Award for exemplary service to her employer and community.

Richard Suvlu, retired BUS Operator, was recognized by President Price E. Brower for his 18 years of service to the Cooperative and for his extraordinary skill in his field.

Secretary/Treasurer Don Nungasak translated the presentation in the Iñupiaq language.

President Price E. Brower presented the President's Report in its entirety. Director Frederick F. Brower motioned, seconded by member Patrick Griffin, to accept the President's Report.

Question called for. Motion carried.

### **b. General Manager's Report**

General Manager Ben L. Frantz presented the General Manager's Report in its entirety.

After completing his report, Ben L. Frantz, introduced three special guests: Bill Nordmark, Board Member, of Golden Valley Electric Association; Crystal Enkvist, Executive Director, of the Alaska Power Association; and Michael Rovito, Director of Member & Public Relations, of the Alaska Power Association. They each said a few words.

Member Patrick Griffin motioned, seconded by Director Frederick F. Brower, to accept the General Manager's Report.

Question called for. Motion carried.

Secretary/Treasurer Don A. Nungasak asked the membership to accept late registration for member Mary Jo Olemaun due to parking.

No objections were voiced by the membership. Mary Jo Olemaun will be allowed to register and vote.

### **c. Secretary/Treasurer's Report**

Before Secretary/Treasurer Don A. Nungasak presented his report, he asked for a moment of silence for the ones who have passed away recently.

Secretary/Treasurer Don A. Nungasak presented the Secretary/Treasurer's Report in its entirety and interpreted the report in Iñupiaq. He introduced Joy Merriner, CPA, of the audit firm BDO.

General Manager Ben Frantz, Administrative Manager Rebecca Lopez, and Joy Merriner, CPA, of the audit firm BDO, were available to answer financial questions.

Member Lucille Adams is concerned that BUECI will bear the cost from what should be a North Slope Borough CIPM Project and they should incur the associated costs. General Manager Ben L. Frantz responded. He shared that BUECI does not fund CIPM projects. BUECI only provides operations and maintenance support for the Borough's utilidor.

Member Herman Ahsoak requested that the portion of Secretary/Treasurer Don Nungasak's report that was only spoken in Iñupiaq please be translated into English.

Member Herman Ahsoak motioned, seconded by member William Leavitt, Sr., to accept the Secretary/Treasurer's Report and the 2016 Financial Report.

Question called for. Motion carried.

A 10-minute break was called for at 8:32 p.m. for voting. Meeting resumed at 8:43 p.m.

## **VIII. Call for Ballots of Amendments to the Articles and Bylaws**

Voting on the amendments to the Articles and Bylaws was opened for ten (10) minutes.

Director Frederick F. Brower motioned, seconded by Director Lewis F. Brower, to appoint volunteer election judges. Member Lilly L. Kanayurak, member Frances Leavitt, member Josie Kaleak, member Qinugan Roddy, member Theresa Aqqik, and member Edith Vorderstrasse were appointed as volunteer election judges. Question called for. Motion carried.

During the voting process, member Edith Vorderstrasse expressed her concern that the word bona fide in Proposition 6, Article 5, Section 3: Qualifications for Directors is used to discriminate against members who do not live in the immediate service territory.

## **XI. Member Concerns**

1. **Member Herman Ahsoak** shared concern that Board Member Michael Stotts was not present. Mr. Ahsoak also shared that he just received text (during the meeting) that his children were asked by a BUECI employee not to run water due to his neighbor's house flooding.

He also commented on an incident a few months ago when it was very windy, and he saw wires starting to arc. BUECI was able to get the power back on quickly after fixing that problem. He also encouraged membership to call BUECI when they see things like plastic or tennis shoes hanging from the wires. He also thanked the Board for their donations to the dance groups.

**Response by General Manager Ben L. Frantz:** We try to minimize contact between the phases, hot primary wires coming together. There are spreaders used to keep those four wires from coming together. Sometimes additional weight, ice, or snow either damage the spreaders or bring more slack to those lines that may not have spreaders. Sometimes the wires will become lower because of damage to the pins and the insulators that they are tied to. In the need for safety the line must be "killed" so that the linemen are not working on live wires. Once isolated the linemen can go up and fix them. We understand that getting the power on quickly is important to prevent any freeze ups. We maintain lines annually.

2. **Member Harold Nungasak, Sr.** stated he has been a member since 1986. He is concerned about flying bugs coming out of drain system. He wanted members to know and to keep a vigilant eye out for these bugs.

**Response by General Manager Ben L. Frantz:** Mr. Frantz stated he has not seen any bugs in the water system nor have there been any reports to the Cooperative from members about bugs. Ben asked the member to catch some and bring them in to the office, so it can be determined what kind of bug it is and where it comes from. Member Lucille Adams suggested putting vinegar and hot boiling water in the drains and they will go away.

3. **Member David Hopson** asked how much gravel is covering the main walk through areas of the utilidor system and if BUECI maintains a certain level of gravel above the utilidor.

**Response by General Manager Ben L. Frantz:** The depth varies. Tim Russell, BUS Plant Superintendent, elaborated adding that the Borough has both the direct bury system and the utilidor system. They are all buried at different depths and the depth is based off the gravity sewer lines. They can vary anywhere from ground level from 3 feet all the way to 12 feet. The water main sits directly over the top of the sewer main in the direct bury system.

4. **Member Shannon Esparza** is concerned that the number of office employees has grown. She would also like to know why those hired are not "local". She feels the budget did not disclose the new hires and what departments they are being hired for. She would also like to know who the hiring manager is for the administrative office personnel. She also stated the

wages and benefits are not disclosed. She stated that BUECI is increasing its administrative personnel and paying them at higher wages when other employees are running delapidated equipment. She also stated BUECI is not promoting from within and hiring from outside before considering current employees.

**Response by General Manager Ben L. Frantz:** The Cooperative follows a process for advertising positions. Positions are advertised for a week in-house, then advertised locally for two weeks. We review applicants and their qualifications with two to three supervisors in each interview. We then choose the most qualified applicants. We have about nineteen non-union employees and staffing provides coverage. Wages are competitive in the market and we have done wage studies to ensure that our employees are being paid equitably compared to others in the community. Any new positions are all disclosed in the budget. Ben clarified that he is the General Manager and is responsible for all hiring decisions.

5. **Member Michael Jeffery** announced he has been a member for decades. He expresses appreciation to the Board for the support to the community such as the dance groups, the Rotary Carnival, and the Tuzzy Library. He also told a personal story of being out of town and receiving a call from his wife that water was cascading down in the art entry room. This was about 11:30 p.m. when he contacted the BUECI emergency line. The crew came late at night to do cleanup and worked to minimize the damage and he appreciated the level of service.
6. **Member Etta Fournier** wanted to thank BUECI for always being there. This year they have had some overflow problems. There has been damage to their house and it has been hard to find contractors to do the work. She just wanted to express her concern about the lack of contractors available in town to do repair work when damage is done.
7. **Member Ned Arey, Sr.** expressed that he has been a member for thirty plus years. He noticed the capital credit refunds have decreased over the past five years. He feels this should be investigated at the Board level and the management level. He also feels it is unfair to give donations to individuals and entities when the membership is not receiving capital credits. He also believes whaling captains should receive a discount for dedicating their lives to whaling for the community. Their services to the community causes them to consume excess gas, electricity, and water.

**Response by General Manager Ben L. Frantz:** The individual's usage is used in calculating the amount of capital credits each member will receive back if capital credits are retired. It is not based on how many members we have. The reason we have decided not to make a distribution this year is to maintain the financial health of the Cooperative. We have things like projects, debt, and equity levels that we must consider before making a distribution. What you would have received in a given year had we retired the capital credits is not gone. We are just waiting before releasing those funds. Our equity is growing again, and we hope and intend to make those distributions again. Mandates and restrictions keep us from offering a special discount to whaling captains.

8. **Member Allen Attungowruk** is concerned about fluoride use in our drinking water. He would like the legal definition of the fluoride being used by Barrow Utilities. He would also like the Board to become educated on the fluoride being used so they can make an informed decision about continuing to add it to our water.

**Response by General Manager Ben L. Frantz:** Fluoride is a mineral from the earth that occurs naturally in some places in the United States, and other places it does not occur at all. It has been found to be useful in stopping tooth decay. It is put in things like toothpaste. It is administered and managed by the federal government. The federal government sets the rules on the levels of fluoride that utilities can put in the water. Annually we are provided a certificate from the State of Alaska that praises us for offering this to our community to help with the fight to stop dental decay. There is much discussion and debate about the safeness of using fluoride. We use fluoride within the recommended levels. Every year we send out the prior year's water quality report. It can only be poisonous if taken in extreme levels.

Member Allen Attungowruk motioned, seconded by member Ned Arey, Sr., to ask the Board to look further into the safety of fluoride usage in the water and removing it from the water.

Question called for. Motion failed by a simple majority

9. **Member Shannon Esparza** would like to request that taxes, payroll, and other on the budget be broken down to show how many employees the Cooperative has and what is being paid out in payroll costs. Do we have a right to know each employee position and what that positions wages and benefits are? Can this be included in our next annual report?

**Response by Administrative Manager Rebecca Lopez:** The line being referred to in the question is for payroll taxes not payroll expense (labor). The reason that we don't include the individual wages for each position in the financial report presentation is because the financials are prepared following Generally Accepted Accounting Principles (GAAP). This is the standard that we must follow, and it is the basis for the financial statement presentation and audit. We do prepare the IRS Form 990 which does disclose payroll information for key employees and that is available as part of the public record that any cooperative member has the right to request.

## **X. Nominations and Election of Directors**

A motion was made to open the nominations. Motion carried. The following members were nominated:

Josiah B. Patkotak	Price E. Brower	Frederick F. Brower
Don A. Nungasak	Lloyd Kanayurak	Sarah Tua'i
Adeline Hopson	Nelda Nungasak	

Member Charlie Hopson motioned, seconded by member Herman Ahsoak to close nominations. Motion carried unanimously.

Nominations were closed.

President Price E. Brower declared the polls open for voting for the Board of Directors. He asked the members to vote for three directors. President Price E. Brower declared the polls closed for voting of the Board of Directors at 10:00 p.m.

## **XI. Drawing for Door Prizes**

There were ten BUECI contributions and 24 organizations and business contributions that were offered as door prizes which were awarded to the members through a random drawing of members or put in gift bags which were given to the first 300 members registered.

**XII. Election Results**

The election results were not announced at the meeting. Counting was still taking place when the meeting adjourned. President Price E. Brower announced that the results would be announced on the radio, KBRW.

<b>Josiah B. Patkotak</b>	<b>63</b>	<b>Price E. Brower</b>	<b>92</b>
<b>Frederick F. Brower</b>	<b>76</b>	Don A. Nungasak	57
Lloyd Kanayurak	58	Sarah Tua'i	24
Nelda Nungasak	20	Adeline Hopson	21

Write in candidates had a total of 26 votes.

It was determined upon the election results that **Price E. Brower, Frederick F. Brower, and Josiah B. Patkotak** received the highest number of votes and thus are elected to the BUECI Board of Directors.

The Proposition and Bylaw results are as follows:

	<u>YES</u>	<u>NO</u>	<u>Passed/Failed</u>
Amend: Proposition A	99	51	66% FAILED (needed 2/3 majority)
Amend: Proposition B	121	24	83% PASSED
Bylaws: Proposition 1	105	43	71% PASSED
Bylaws: Proposition 2	113	36	76% PASSED
Bylaws: Proposition 3	111	38	74% PASSED
Bylaws: Proposition 4	86	63	58% PASSED
Bylaws: Proposition 5	109	34	76% PASSED
Bylaws: Proposition 6	117	30	80% PASSED
Bylaws: Proposition 7	122	26	82% PASSED
Bylaws: Proposition 8	72	41	64% PASSED
Bylaws: Proposition 9	99	49	67% PASSED
Bylaws: Proposition 10	126	23	85% PASSED

**XIII. Old Business – No old business**

**XIV. New Business - No new business**

**XV. Adjournment of Annual Meeting**

Member Lucille Adams motioned, seconded by Director Lewis F. Brower, to adjourn the meeting.

Motion carried.

Meeting adjourned at 10:57 p.m.

Date Approved: April 5, 2018

Attest:

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Josiah B. Patkotak, Secretary/Treasurer

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Price E. Brower, President