



Solutions for the Future

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Regular Scheduled Board of Directors Meeting

Tuesday, February 16, 2016

Nushagak Cooperative Board Room, 7:00 p.m.

MINUTES

Call to Order: Board President, Pete Andrew called the Regular Scheduled Board of Directors Meeting to order on Tuesday, February 16, 2016 in the Nushagak Cooperative Board Room. The time was 7:03 p.m.

Directors Present: Pete Andrew, President **(Quorum Established)**
Henry Strub, Vice President Todd Radenbaugh, Director
Rae Belle Whitcomb, Secretary Chris Napoli, Director
Steve Noonkesser, Treasurer (Telephone) Wanda Fulton, Director
Julianne Baltar, Director (Telephone) Annie Fritze, Director

Directors Absent:

Staff Present: Nancy Favors, CEO/GM
Michael Favors, Telecom Operations Manager
Angie Venua, Senior Accountant

Guests Present: None

Approval of Agenda:

Henry Strub motioned and Chris Napoli seconded the motion to approve the February 16, 2016 Regular Scheduled Board meeting agenda with the addition of Executive Session after the Action Items. The motion carried 9 -0.

Approval of Minutes:

Rae Belle Whitcomb motioned and Todd Radenbaugh seconded the motion to approve the January 19, 2016 Regular Scheduled Board Meeting Minutes with the correction of the time that the board was out of Executive Session and the addition of the Bylaw change under the Action Items. The motion carried 9-0.

Reports:

- A. Nancy Favors – Submitted a written report.
- B. Angie Venua – Submitted a written report.
- C. Michael Favors – Submitted a written report.
- D. Angela Lopez – Submitted a written report.

Annie Fritze asked for clarification on line items for businesses being paid on the financial report submitted by Angie Venua. Angie Venua answered her questions and no further action was taken.

Discussion/Review

Wage & Salary Committee – The committee will consist of Annie Fritze, Todd Radenbaugh and Rae Belle Whitcomb. No committee meeting was scheduled at this time.

Organizational Chart – The Organizational Chart was discussed but no action was taken at this time.

Strategic Planning – The Strategic Planning session for the Board of Directors and Management has been scheduled for Thursday, May 19, 2016.

General Board Discussion – Henry Strub informed the board that he would be attending the Legislative Conference in Juneau scheduled for February 24-25, 2016

Chris Napoli directed Michael Favors to email him the procedures for after hour issues for all divisions.

General CEO Discussion – Nancy Favors reported to the board that Vitus Energy won the bid for Nushagak Cooperative's Fuel Contract. The contract will be in effect until 2018.

Action Items

Approval of the 2016 Capital Budget – Wanda Fulton motioned and Chris Napoli seconded the motion to approve the 2016 Capital Budget as follows:

Total Electric Capital Budget - Division 1 - \$1,297,805.00

Total Telephone Capital Budget - Division 2 - \$800,500.00

Total CATV/Internet Capital Budget Division 3 - \$36,000.00

The motion carried 7-1.

Approval of the 2016 Operating Budget – Chris Napoli motioned and Rae Belle Whitcomb seconded the motion to table the Approval of the 2016 Operating Budget for a later date. The motion carried 5-3

Motion: Chris Napoli motioned and Todd Radenbaugh seconded the motion to direct management to recreate the 2016 Operating Budget to identify the wage increase and to reflect the payout of 50% of Patronage Capital from 1989 (\$175,285.55) and present the new information during a Special Meeting to be scheduled. The motion carried 8-0.

Director Items

Unfinished Business

Future Meetings & Conference Dates:

APA Legislative Fly-In, February 24-25, 2016 – Juneau, AK

Executive Session: Wanda Fulton motioned and Annie Fritze seconded the motion to move into Executive Session. The time was 8:43. The motion carried 8-0.

AS 10.25.175 Board Meeting Open; Exceptions; Remedy -

(C1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity.

Motion: Todd Radenbaugh motioned and Henry Strub seconded the motion to move out of executive session. The time was 9:31. The motion carried 8-0

Adjournment- With no further business to come before the board, Todd Radenbaugh motioned and Henry Strub seconded the motion to adjourn the February 16, 2016 Regular Scheduled Board Meeting. The time was 9:32 p.m. The motion carried 8-0.

Respectfully Submitted By:

Angela Thames, Executive Secretary/Recorder

02/16/2016

Date

Approved By:

Rae Belle S. Whitcomb, Secretary

Date

NUSHAGAK ELECTRIC & TELEPHONE COOPERATIVE
2016 APPROVED CAPITAL BUDGET
ELECTRIC - DIVISION 1

ADMINISTRATIVE

1) 31 Computers <i>To replace existing computers & hardware that are failing to meet requirements of our software environment</i>	\$ 35,000	\$ 35,000.00
		Sub Total \$ 35,000.00
2) NISC Map Wise & Staking Software <i>NISC's MapWise Mapping solution allows mapping and field technicians to easily update maps and verify field information</i>	\$ 49,792	\$ 49,792.00
		Sub Total \$ 84,792.00
3) Server <i>To replace existing failing server and move to server 2012 r2 Operating System</i>	\$ 17,500	\$ 17,500.00
		Sub Total \$ 102,292.00
4) Polycom Teleconference Bridge with Microphones <i>To replace existing conference phone in Board Room To improve clarity during conference calls.</i>	\$ 8,000	\$ 8,000.00
		Sub Total \$ 110,292.00

TOTAL FOR ADMINISTRATIVE \$ 110,292.00

**NUSHAGAK ELECTRIC & TELEPHONE COOPERATIVE
2016 APPROVED CAPITAL BUDGET
ELECTRIC - DIVISION 1**

POWER PRODUCTION

1)	Generator Scheduled Maintenance/Major Overhaul <i>Generator - Units #15</i>	\$ 150,000	\$ 150,000.00
			Sub Total \$ 150,000.00
2)	Generator Scheduled Maintenance/Top End Overhaul <i>Generator - Unit #10 & 14</i>	\$ 150,000	\$ 150,000.00
			Sub Total \$ 300,000.00
3)	Pipeline Inspection <i>Pipeline corrosion survey/API 570 pipe inspection Required for ADEC compliance</i>	\$ 40,000	\$ 40,000.00
			Sub Total \$ 340,000.00
4)	Substation Phase III <i>Complete fencing and ground grid & installation of power plant feeds & distribution circuit take offs</i>	\$ 300,000	\$ 300,000.00
			Sub Total \$ 640,000.00
5)	Fuel Meters 7 \$3,000 each <i>Monitors fuel consumption per engine</i>	\$ 21,000	\$ 21,000.00
			Sub Total \$ 661,000.00
6)	Engineering & Design of Power Plant Roof & Siding <i>Existing roof needs replaced/repaired due to leaking</i>	\$ 80,000	\$ 80,000.00
			Sub Total \$ 741,000.00
			Sub Total \$ 741,000.00
TOTAL POWER PRODUCTION			\$ 741,000.00

**NUSHAGAK ELECTRIC & TELEPHONE COOPERATIVE
2016 APPROVED CAPITAL BUDGET
ELECTRIC - DIVISION 1**

DISTRIBUTION

1)	New Services <i>Based on 5 year average of 12 services plus 10%</i>	\$ 46,000		\$ 46,000.00
			Sub Total	\$ 46,000.00
2)	Relocation of Electric Facilities Squaw Creek <i>To clear right of way conflicts on Native Allotments being subdivided</i>	\$ 15,000		\$ 15,000.00
			Sub Total	\$ 61,000.00
3)	3 Phase to Waskey on Wood River Road <i>This is to begin construction of a 3 phase loop beginning at Pole# W4 to Pole W30. This will improve distribution operations</i>	\$ 30,000		\$ 30,000.00
			Sub Total	\$ 91,000.00
4)	3 Phase Extention on Lake Road to Waskey <i>This is to begin construction of a 3 phase loop beginning Pole L46-2 to Pole # L80 This will improve distribution operations</i>	\$ 141,231		\$ 141,231.00
			Sub Total	\$ 232,231.00
5)	Update Distribution Plan <i>To update distribution plan last updated in 1996 the plan was through 2000</i>	\$ 25,000		\$ 25,000.00
			Sub Total	\$ 257,231.00
6)	Survey <i>To identify the exact location of facilities that feed the customers at the end of Squaw Creek Road This is to secure an acceptable right-of-way with BIA and BBNA</i>	\$ 25,000		\$ 25,000.00
			Sub Total	\$ 282,231.00
7)	Upgrade Circuit 3 <i>Circuit 3 is the oldest circuit and needs to be upgraded to ensure continued service. Circuit 3 has the potential to replace circuit 1 in case of emergency but only if we upgrade the conductor size</i>	\$ 164,282		\$ 164,282.00
			Sub Total	\$ 446,513.00
	TOTAL DISTRIBUTION			\$ 446,513.00

TOTAL CAPITAL BUDGET DIVISION 1 **\$ 1,297,805.00**

	2016		\$ 1,297,805.00
	2015		\$ 1,496,180.00
	2014		\$ 2,200,177.00
	2013		\$ 1,736,441.00
	2012		\$ 1,558,414.00

5 Year Average Capital Budget: **\$ 1,657,803.40**

**Nushagak Cooperative - Telephone / Cable TV / Internet
2007 Proposed Capital Budget**

Central Office and Remotes :

If we are unable to obtain Calea wavier for 2007

These budgetary estimates are for the remaining switches that will need to be replaced to become FCC mandatory CALEA compliant

The Dillingham Host include some basic contract labor cost for installation but no formal in-depth cost estimates have been performed these are budgetary cost and are from one vendor We are expecting budgetary estimates from one other vendor.

The rest of the sites are mid year 2005 quotes from Telstrat adjusted for 2007 prices and a formal quote is in the works and do not include labor.

1) Dillingham Host Switch	\$ 435,000
2) Kananak Remote	35,540
3) Wood River Remote	20,499
4) Manokotak Proper	34,395
5) Manokotak Heights	46,073
Subtotal -----	<u>\$ 571,507</u>

**NUSHAGAK ELECTRIC & TELEPHONE COOPERATIVE
2016 APPROVED CAPITAL BUDGET**

TELEPHONE - DIVISION 2

OPERATIONS

1) New Service Required Construction <i>New services (aerial, buried, telephone, Wireless loop)</i>	\$ 20,000	\$ 20,000.00
		Sub Total \$ 20,000.00
2) Cable Yard Stock for minimum service requirements <i>Replacement of depleted stock</i>	\$ 20,000	\$ 20,000.00
		Sub Total \$ 40,000.00
3) Ford F250 <i>To replace 1991 Ford pick up #28. Truck currently non-operational</i>	\$ 70,000	\$ 70,000.00
		Sub Total \$ 110,000.00

TOTAL OPERATIONS \$ 110,000.00

**NUSHAGAK ELECTRIC & TELEPHONE COOPERATIVE
2016 APPROVED CAPITAL BUDGET**

TELEPHONE - DIVISION 2

NETWORK TRANSPORT EQUIPMENT FIBER AND COPPER

1) Microwave Link	\$ 105,000	\$ 105,000.00
<i>Enhance existing link between Dillingham and Manokotak to support Extended Area Service (EAS)</i>		
		Sub Total \$ 105,000.00
2) Fiber Fusion Splicer	\$ 20,000	\$ 20,000.00
<i>Tool needed to splice fiber optic cables</i>		
		Sub Total \$ 125,000.00
3) Fiber Waskey Road	\$ 139,500	\$ 139,500.00
<i>Install 6975 feet of fiber on Waskey Road to build ring network This is the first segment of a four year project Listed in the five year plan</i>		
		Sub Total \$ 264,500.00
4) Microwave Link	\$140,000.00	\$ 140,000.00
<i>Construct and install a microwave link between Manokotak & Clarks Point</i>		
		Sub Total \$ 404,500.00
TOTAL NETWORK TRANSPORT		\$ 404,500.00

5 Year Average Capital Budget:

\$ 590,893.20

**Nushagak Cooperative - Telephone / Cable TV / Internet
2007 Proposed Capital Budget**

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**NUSHAGAK ELECTRIC & TELEPHONE COOPERATIVE
2016 APPROVED CAPITAL BUDGET**

CABLE TV/INTERNET - DIVISION 3

1)	Uninterrupted Power Supply (UPS)	\$	10,000	\$	10,000.00
	<i>To replace failed uninterrupt power supplies</i>				
				Sub Total	\$ 10,000.00
2)	Laser's for the Headend and Fireweed Remote	\$	11,000	\$	11,000.00
	<i>Replace existing laser that have exceeded their life expectancy. CBL Internet & Cable TV on Lake Rd & Kananak will be interrupted without replacement</i>				
				Sub Total	\$ 21,000.00
3)	Switch/Routers	\$	15,000	\$	15,000.00
	<i>Replace failing core router and failing switch in the Head End</i>				
				Sub Total	\$ 36,000.00

TOTAL CAPITAL BUDGET DIVISION 3 **\$ 36,000.00**