

**St. Croix Electric Cooperative Board Meeting Agenda  
Monday, November 7 – 2016**

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| <b>6:00 p.m.</b> |     | Meeting Called to Order  |
| Action           | 1.  | Adopt the Agenda   |
| Action           | 2.  | Approve Regular Board Meeting Minutes October 3, 2016                            |
|                  | 3.  | Chairman's Report<br>-director contacts and correspondence with members          |
| Action           | 4.  | Set January Board Meeting Date   |
| Action           | 5.  | Amend Policy Bulletin 410 Director Training & Meeting Attendance                 |
| Action           | 6.  | Approve Wage & Salary Changes: Management & Self-Represented Staff               |
| Discussion       | 7.  | Draft Policy and Procedures for Dispute Resolution – Binding Arbitration         |
| Discussion       | 8.  | Nuclear Waste Policy Act II (NWPA) Settlement                                    |
| Discussion       | 9.  | Wholesale Purchase Power Contract – Dairyland Power Cooperative                  |
| Action           | 10. | September Financial & Operating Report   |
|                  | 11. | CEOs Report  |
| Report           | 12. | Dairyland Power Cooperative  |
|                  | 13. | Affiliated Organizations   |
| Report           | 14. | Safety & Compliance  |
|                  | 15. | Other Business<br>-Commitment to Community Grant Awards<br>-future agenda topics |
|                  | 16. | Executive Session  |
|                  | 17. | Informational  |
|                  | 18. | Correspondence   |

## Agenda Summary

**4. Set January Board Meeting Date**

The scheduled January board meeting date falls on the New Year's Days holiday. Management is recommending this meeting be rescheduled for Wednesday or Thursday, January 4 or 5. The 2017 operating and capital budgets will be presented for board review and action at this meeting. **Board action to set the date for the January board meeting is requested.**

**5. Amend Policy Bulletin 410 Director Training & Meeting Attendance**

The board is previously on record indicating the Cooperative will no longer be a dues paying member of Cooperative Network (CN). **Board action to amend this policy to eliminate references to director attendance at CN meetings is requested.**

**6. Approve Wage & Salary Changes: Management & Self-Represented Staff**

The CEO will be proposing an annual budget amount for one-time performance bonuses and base salary increases to be effective November 1, 2016 for the non-union staff. **Board action to approve the proposed bonus and salary budgetary amounts is requested.**

**7. Draft Policy and Procedures for Dispute Resolution – Binding Arbitration**

At the October meeting the board reviewed a draft policy and procedures to be used in the event binding arbitration is needed to resolve a member dispute and claim for damages in excess of \$10,000. Several alternatives to the policies proposed formation of the Committee on Dispute Resolution is presented for discussion.

**8. Nuclear Waste Policy Act II (NWPAA) Settlement**

Dairyland Power Cooperative has accepted a settlement offer in the amount of \$73.5 million from the U.S. Court of Federal Claims for damages related to the government's breach of contract with LACBWR, Dairyland's shutdown nuclear power plant. In January 2013, Dairyland was awarded \$37.6 million for a similar claim for the years 1999- 2006. The most recent settlement was for reimbursement of expenses for security and storage of spent nuclear fuel for the period 2007-2012. At this meeting the board will review the financial options and decisions made by Dairyland and St. Croix Electric for the funds received from the first settlement in 2013 and briefly discuss alternatives for the use of funds from the second settlement.

**9. Wholesale Purchase Power Contract – Dairyland Power Cooperative**

When SCEC became a member of Dairyland Power Cooperative there was a requirement to enter into a long-term Wholesale Power Contract with Dairyland. Lenders required the contract to provide reasonable assurance the debt financing needed by Dairyland to build power plants and transmission lines could be repaid. Over time the contract has been extended and amended slightly. The current contract with Dairyland is in effect through 2055 and was last extended in 2004. Dairyland has established a task force for the purpose of reviewing the contract for extension. The board will be discussing the process being used by Dairyland to explore contract extension terms.