

BARROW UTILITIES & ELECTRIC COOPERATIVE, INC.

2020 ANNUAL REPORT



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"Providing safe, reliable, and affordable utility services while respecting the community values of our members."

OFFICIAL NOTICE

2021 BUECI ANNUAL MEMBERSHIP MEETING

Notice is hereby given pursuant to Article III, Sections 1 and 3 of the bylaws of BUECI that the informational annual membership meeting will be held on **Thursday, May 6, 2021, at 6:00 p.m. on KBRW AM 680**. All members who return ballots (vote) will be considered registered and will establish quorum for the meeting. *Ballots must be returned no later than April 30, 2021 at 10 a.m.* The informational meeting will begin promptly at 6:00 p.m.

The informational meeting will consist of short reports, responses to member comments, and the announcement of the election results for directors and proposed propositions to amend the bylaws.

The following are your present Board of Directors:

Price E. Brower, President
Don A. Nungasak, Treasurer
Bernadette A. Fischer

Frederick F. Brower, Vice President
Herman L. Ahsoak, Secretary
Tina A. Wolgemuth

The following three (3) Directors' terms expire:

Karl Derek Ahgeak

Lewis F. Brower

Vacant Seat

The nomination for Directors was conducted by mail and email and has closed. The list of nominees is included in this mailer. Newly elected board members will serve a three-year term. There are a total of nine members who serve on the Board of Directors.

There will be a drawing for valuable door prizes including an iPad and wolverine ruff. ***All active members who return a ballot will be entered into a drawing for door prizes.*** Door prize winners will be posted at bueci.org and on Facebook. Staff will contact winners to arrange for pick-up of items the week of May 10, 2021. Door prizes will have to be picked up and cannot be mailed.


The Annual Meeting Report is also available online at <http://www.bueci.org/annual-meeting/>.

Please join us May 6, 2021, at 6:00 p.m. on KBRW AM 680.

Sincerely,



BUECI Board of Directors and Management



**RETURN YOUR
BALLOT
TO BE ENTERED
INTO A DRAWING
FOR DOOR
PRIZES!**

AGENDA

2021 BUECI ANNUAL MEMBERSHIP MEETING

- I. Call to Order**
- II. Roll Call of the Board Members**
- III. Invocation**
- IV. Determination of a Quorum**
- V. Presentation of Reports**
 - a. President's Report**
 - b. General Manager's Report**
 - c. Incoming General Manager's Report**
 - d. Treasurer's Report**
- VI. Mail-In Member Concerns**
- VII. Call-In Member Concerns**
- VIII. Election Results**
- IX. Adjournment**

PRESIDENT'S REPORT



Dear Valued Member:

2020 was a year that required adjusting and adapting to everchanging local and state mandates regarding COVID-19. Despite the pandemic, Barrow Utilities and Electric Cooperative, Inc. (BUECI) continued to provide safe and reliable services to you, our members.

In 2020, the North Slope Borough generously gave residential members two (2), \$300 COVID-19 Relief payments to lessen the burden of COVID-19 on our community and members. On behalf of the Board of Directors and our members, we would like to extend a special thank you to Mayor Harry Brower and the North Slope Borough.

Throughout 2020, BUECI continued to provide essential grave-digging services to those in our community. The Board of Directors also awarded five (5), \$1,500 scholarships to high school seniors looking to further their education. We are constantly looking for ways

to better serve our members and community.

Despite the challenges of planning and hosting BUECI's first ever virtual membership meeting, the 2020 Annual Meeting was a great success. Director nominations and voting were held via mail, and as a result, we saw a tremendous increase in member engagement and voter turnout.

In October of 2020, the Board of Directors worked alongside the NRECA Executive Search team to hire a new General Manager to succeed retiring General Manager Ben Frantz. We are happy to announce that Timothy Russell has been selected to be the new General Manager of BUECI. Mr. Russell has been the BUS Plant Superintendent for the last 30 years and an employee with BUECI for over 36 years. We are thrilled to have Mr. Russell lead us into the future and we wish Mr. Frantz all the best in his retirement.

On behalf of the Board of Directors and senior leadership team, I am pleased to submit BUECI's 2020 Annual Report of your consideration.

Sincerely,

Price E. Brower
President

GENERAL MANAGER'S REPORT

BUECI Members:

As a 'multi-utility' with water production, water distribution, wastewater collection, wastewater treatment, electrical generation, electrical distribution, and natural gas distribution, the importance of safe, affordable, reliable and high-quality utility service in our unique and challenging environment is exceptionally high. This is the reason for our existence, our core responsibility, that is to provide these very important utility services, day in and day out without interruption.

We could not accomplish the work that must be done to sustain our services without the dedicated folks at BUECI being there for us. We require knowledgeable, experienced, trained, and certified employees on multiple levels as a multi-utility. It is critically important that we assure that their safety comes first, and that in doing so we provide for them the tools, equipment and leadership that gets us through our daily routines, and as well with any new and challenging issues that may arise.

Additionally, we must support and sustain the work our people provide the Cooperative. In order to do that effectively, efficiently, timely, and safely, those who have the responsibility of support must do so with great awareness and care.

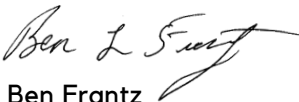
BUECI has been benefit of leadership over many, many years that represents being supportive of the Cooperative with great awareness and care. Many BUECI Board members, administrative personnel, mid-management, and differing utility operators have contributed to the success of your Cooperative.

As many of you may be aware, I will be retiring on April 12 this year, and turning the reins over to Mr. Timothy Russell. I add to President Brower's confidence that your Cooperative is in good hands and I have great confidence in Mr. Russell's ability to lead the organization as the incoming General Manager.

So, at this time, and in this, my last Annual Meeting Letter to the Membership, I want to express my sincere appreciation for all the dedicated people whom have contributed to sustaining, improving, saving, and continuing the guiding principles of operating as a Cooperative. BUECI is recognized as being equitable with its peers in the state. It is recognized as an accomplished multi-utility. Its Board of Directors have achieved numerous levels of credentials recognized by the National Rural Electric Cooperative Association (NRECA), and of course, your frontline personnel have achieved levels up to and beyond required certification to bring you safe, consistent, and award-winning utilities in each respective utility.

I sincerely thank all of you, my mentors, my fellow employees, Directors and BUECI members. It has been an absolute honor to have served you.

Respectfully,



Ben Frantz
General Manager



Safe. Reliable. Affordable.

INCOMING GENERAL MANAGER'S REPORT



BUECI Members:

I am very pleased and thankful for having been selected to be your next incoming General Manager. For the last 36 years, I have dedicated myself to the betterment of our community through service to Barrow Utilities and Electric Cooperative Inc. It is now my profound honor to continue the tradition of excellence left by my predecessor Mr. Ben Frantz in my new role as General Manager.

I would like to thank President Brower, the Cooperative's Board of Directors, and Mr. Frantz for their confidence in my abilities and commitment to the Cooperative. I will do everything in my power as General Manager to maintain excellence in customer service, system reliability, and reasonable rates, while ensuring financial stability of the Cooperative.

Thank you also to the many staff who work diligently in each of our departments: Electrical Production, Electrical Distribution, Natural Gas Distribution, Water Treatment, Water Distribution, Wastewater Collection and Wastewater Treatment, as well as our support staff in the Central Office. I also thank the supportive BUECI families who understand the commitment these men and women make when working for the utilities critical infrastructure's that operates 24/7/365 days per year.

And finally, thank you to you, the Cooperative members. Your participation is a vital part of the Annual Meeting and we thank you for joining us for the KBRW broadcast.

Quyanaqpak!

Sincerely,

Timothy W. Russell
Incoming General Manger



TREASURER'S REPORT



BUECI Membership:

The discussion and analysis which follows is intended to provide our members an overview of the Cooperative's financial activities for the year ended December 31, 2020. This information should be read in conjunction with the Cooperative's financial statements and integral footnote disclosures. The financial presentation included in this report is summary information only, derived from the Cooperative's financial statements. Our audited financial statements and footnote disclosures, including the auditor's opinion, are available for review at the Cooperative's offices following their issuance and acceptance by the board annually.

The Annual Financial Report for the year ending December 31, 2020, contains the unaudited 2020 Balance Sheet and Statement of Revenues and Changes in Patronage Capital. The Certified Public Accounting firm, BDO, LLP, is in the process of completing the 2020 financial reports of the Cooperative while the 2019 audit has been completed.

During 2020, operating revenue increased by \$1,130,645 for a total of \$26,754,327.

In 2020, the Cooperative ended the year with \$785,489 in construction work in progress down from \$1,747,844 in the prior year. In 2020, the Cooperative's net long-term debt decreased by \$115,307, ending 2020 with net long-term debt of \$26,252,766. The projects reflected in this balance are aimed at extending services to members, improving service to existing members, and replacing equipment at end of life. These projects also help the utility to provide additional capacity to serve demand and to increase service reliability to members.

During 2020, BUECI ended the year with net margins of \$1,691,384. No capital credit retirements were distributed in 2020, resulting in an increased in member equity to \$18,018,014. The Cooperative's Board of Directors did declare a retirement of \$541,126 which is to be paid out in 2021.

As a cooperative operating on a not-for-profit tax basis, it is important to understand that these are not profits, but rather member patronage which is returned to the members over a 20 to 30-year repayment cycle. The total refund of capital credits since 1986 is \$20,294,499.

Respectfully,

A handwritten signature in cursive script that reads "Don A. Nungasak". The signature is written in dark ink on a light background.

Don A. Nungasak
Treasurer



UNAUDITED FINANCIALS

BALANCE SHEET

Months ended December 31, 2020 and 2019

	<i>Unaudited</i>	
December 31,	2020	2019
Assets		
Utility Plant		
Electric utility plant	\$ 25,240,766	\$ 23,936,267
Gas utility plant	3,010,349	2,981,537
Water utility plant	24,599,350	23,833,513
Buildings and improvements	6,485,658	6,449,507
Vehicles and heavy equipment	2,570,397	2,808,367
Other general plant	1,586,023	1,538,029
Total utility plant in service	63,492,543	61,547,220
Construction work in progress	765,489	1,747,844
Total utility plant	64,258,031	63,295,064
Less accumulated depreciation	(29,318,016)	(26,316,081)
Net Utility Plant	34,940,015	36,978,983
Other Assets and Investments		
Restricted funds:		
Consumer deposits	131,664	120,074
Certificate of deposit	25,000	25,000
Emergency fund investments	487,000	487,000
Investments in associated organizations	3,035,286	2,873,922
Total Other Assets and Investments	3,678,950	3,505,996
Current Assets		
Cash - general	2,803,151	3,160,544
Investments	94,748	102,405
Consumer accounts receivable net of allowance for doubtful accounts	1,899,186	1,773,810
Other accounts receivable, net	2,685,096	2,288,370
Materials, fuel and supplies inventories	1,611,889	1,495,213
Prepayments	31,890	30,124
Total Current Assets	9,125,960	8,850,466
Deferred Charges	2,936,235	3,176,740
Total Assets	\$ 50,681,160	\$ 52,512,185

UNAUDITED FINANCIALS

BALANCE SHEET CONT'D.

Months ended December 31, 2020 and 2019

December 31,	<i>Unaudited</i>	
	2020	2019
Equities and Liabilities		
Equities		
Memberships	\$ 4,698	\$ 4,698
Patronage capital	17,645,915	16,326,630
Other equities	1,918,078	1,914,263
Total Equities	19,568,691	18,245,591
Liabilities		
Long-term Liabilities		
Long-term debt	27,787,959	28,323,935
Less current maturities	(1,535,193)	(1,955,862)
Total Long-term Liabilities	26,252,766	26,368,073
Current Liabilities		
Current maturities of long-term debt	1,535,193	1,955,862
Accounts payable	1,433,911	3,840,612
Consumer deposits	131,664	120,074
Accrued payroll and benefits	801,426	675,770
Accrued taxes	23,864	5
Accrued interest	10,900	11,829
Line of credit payable	-	375,000
Patronage capital credits payable	477	1,404
Total Current Liabilities	3,937,435	6,980,556
Deferred Credits		
Consumer advances	(10,159)	2,216
ARECA allocation due to North Slope Borough	932,427	915,749
Total Deferred Credits	922,268	917,965
Total Liabilities	31,112,469	34,266,594
Total Equities and Liabilities	\$ 50,681,160	\$ 52,512,185

UNAUDITED FINANCIALS

STATEMENT OF REVENUES & CHANGES IN PATRONAGE CAPITAL

For Years Ended December 31, 2020 and 2019

Years Ended December 31,	<i>Unaudited</i>	
	2020	2019
Operating Revenues		
Electric service	\$ 7,053,782	\$ 6,428,332
Gas service	2,895,255	2,582,189
Water sales	3,977,247	3,624,515
Service revenue:		
Barrow Utilidor System water distribution	7,172,930	7,127,073
Barrow Utilidor System sewage collection	7,298,885	6,992,218
Total Operating Revenues	28,398,100	26,754,327
Operating Expenses		
Gas for generation	756,378	749,061
Gas for resale	779,024	755,390
Water for resale	2,978,759	2,787,242
Operations and maintenance:		
Electric production	1,141,570	1,140,598
Electric distribution	873,456	912,858
Gas distribution	772,981	755,977
Water production and distribution	1,076,471	1,158,537
Barrow Utilidor System water distribution	2,444,848	2,350,652
Barrow Utilidor System sewage collection	4,719,122	4,280,394
Consumer accounts	664,670	733,441
Administrative and general	5,940,274	6,336,013
Taxes	664,581	659,802
Depreciation	2,872,171	2,676,646
Total Operating Expenses	25,684,305	25,296,611
Operating margins before fixed charges	2,713,795	1,457,716
Fixed Charges - interest on long-term debt	1,123,844	1,138,270
Operating margins after fixed charges	1,589,951	319,446
Net Nonoperating Margins	101,433	152,706
Net Margins	1,691,384	472,152
Patronage Capital , beginning of year	16,326,630	16,069,658
Patronage capital distributions	-	(215,180)
Patronage Capital , end of year	\$ 18,018,014	\$ 16,326,630

2020 ANNUAL MEETING

Thursday, December 3, 2020

Via Mail and Radio Broadcast - KBRW 680AM

7:00 p.m.

Note: On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spread globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. Beginning in March 2020, and continuing on throughout the remainder of the year in various forms, the State of Alaska Governor and the City of Utqiagvik issued hunker down orders, recommendations, and mandates, which served to ban or deter individuals from participating in-person meetings. As a result, local meeting room facilities traditionally used for large gatherings were not available to the Cooperative for the remainder of 2020. As a result of the limited options available to hold an in-person annual meeting, the Cooperative's Board approved holding the meeting voting by mail with an informational broadcast where reports, member concerns, results of the mail-in voting, and prizes, were read over KBRW Radio on channel 680 AM.

I. Call to Order

President Price E. Brower called the meeting to order at 7:00p.m. and welcomed all the members to the meeting.

President Brower mentioned that the winners of the top seven door prizes would be announced throughout the meeting. The list of remaining door prize winners were posted on the Cooperative's website and a link to the website was posted on the Cooperative's Facebook page.

II. Roll Call of the Board Members

Board Members Present: Karl D. Ahgeak, Director; Herman L. Ahsoak, Secretary; Frederick F. Brower, Director; Lewis F. Brower, Director; Price E. Brower, President; Roy M. Nageak Sr., Vice President; Don A. Nungasak, Treasurer; Josiah B. Patkotak, Director (arrived at 7:30 p.m.); Tina A. Wolgemuth, Director

III. Invocation

Invocation was given by Secretary Herman L. Ahsoak.

IV. Determination of a Quorum

The current membership count of the Cooperative is comprised of 1,167 voting members as of close of business on October 27, 2020, the date of record set by the Cooperative's Board. 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 117 members represent a quorum. A quorum was established for director elections and Bylaw amendments as 260 members returned a valid director ballot by the deadline and 258 members returned a valid proposition ballot by the deadline.

The members that made up this quorum are as follows:

Aamodt, Michael; Adams, Bernadette & John; Adams, Johnny & Ruth; Adams, Lisa D & Billy; Adams, Max Jr.; Adams, Sheldon K Sr. & Nora; Adams-Kanayurak, Leroy; Ahgeak, Beverly A; Ahgeak, James & Mae; Ahgeak, Molly; Ahkivgak, Mary J; Ahmaogak, Clyde; Ahmaogak, Doreen; Ahmaogak, Robyn G & George K Jr.; Ahngasuk, Flossie; Ahngasuk, Robert M; Ahsogeak, Nancy; Ahtuanguaruak, Samuel & Hopson, Falaura E; Ahvakana, Lilly & Pete F; Aiken, Reuben S & Miriam; Akpik, Mary N; Akpik, Max Jr.; Akpik, Robert S & Alice; Akpik, Theresa; Alaska Eskimo Whaling Comm.; Ale, Talagu Jr. & Jessica P; Anashugak, Roy & Rachael; Arctic Slope RegionalCorp; Assembly of God; Atos, Allyson; Attungowruk, Allen; Barr, Melissa & Daniel; Barzaga, Veronica L & Carlos T; Benson, Lance; Biswokarma, Sangram; Bodfish, Amy; Bodfish, Waldo E; Bowen, Stacy J; Brower, Arnold Jr. & Cheryl; Brower, Charles & Rebecca; Brower, Charles D; Brower, Dallas-Lee; Brower, Dora F & Frederick; Brower, Isabel; Brower, Laverne S; Brower, Megan; Brower, Price E; Burnell, Amanda; Burnell, Belinda; Burnell, Karen; Carrol, Marie & Geoff; Coates, Frederick C; Coates, Lorena J; Cornerstone Community Church; Curtis, Sandra L; Danner, Scott & Corrine; Davis, Ralph; Diaz, Dora E & Moises; Edwards, Glenn R & Carolyn M; Edwardsen, Anthony & Carolyn; Edwardson, Daisy M; Ekowana, Ernest; Ekowana, Perry T; Ekowana, William; Evikana, Delbert S; Evikana, Esther R; Evikana, Jim; Falleaf, Lula L; Fischer, Bernadette; Fischer, Eldon R; Fischer, Margaret E & Robert Jr.; Fisher, Kevin S; Fonua, Yvonne & Anthony R; Fournier, Etta P; Frantz, Tim & Ellen J; Glenn, Richard & Arlene; Gogo, Jerry C & Ailepata; Gomez, Nellie; Griffin, Patrick S; Gueco, Angelito H & Mary E; Gueco, Nova D; Hagle, Griffin W; Henry, Laura; Hermon, Mark H; Hickman, Brandon & Angelia; Hoffland, Larshe D; Hollingsworth, Elizabeth; Hollis, Brendan & Tristyn N; Hopson, Catherine; Hopson, Charles E; Hopson, Curtis; Hopson, Heather J; Hopson, Hubert E & Maude; Hopson, Kanae A; Hopson, Lesley; Hopson, Martha; Hopson-Suvlu, Abel L; Hubbard, Kristina J; Hugo, Patrick & Beverly F; Hutchison, Melbourne C III; Igtanloc, Robbyn L; Ipalook, Dawndee M; Itta, Elsie; Ivanoff, Phyllis & James; Jordan, Layne R; Kaleak, Alex; Kaleak, Charmaine; Kaleak, Frederick J & Josie; Kaleak, Harry P; Kaleak, Margaret; Kaleak, Ralph & Jeanette; Kanayurak, Bertha O; Kanayurak, Douglas B; Kanayurak, Ellen; Kanayurak, Fred; Kanayurak, Leroy M Sr. & Lilly L; Kanayurak, Lloyd & Alberta; Kennedy Dental Group; Kenton, Billy; Kenton, Lena; Kignak, Emma S; Kignak, Paul J & Kate; Kious, Clara; Knodel, Douglas & Doreen; Koonalook, Emma; Koonalook, Martha; Lachica, Cristeta; Lalaga, Posa V; Lambrecht, John & Kimberly R; Lampe, Doreen; Leavitt, Bertha L; Leavitt, David Sr.; Leavitt, James Sr. & Rhoda; Leavitt, Jeffery & Grace; Leavitt, Johnny & Lucille; Leavitt, Lloyd & Estella; Leavitt, Luther Jr.; Leavitt, Nancy; Leavitt, Samantha; Leavitt, William F Jr.; Lemen, Colleen F; Lemen, Rosanna A & Morris W Jr.; Lopez, Maria; Lopez, Rebecca & Andres; Lowe, John E IV & Teresa M; Lozano, Robert; Lozano, Stefanie & Brown, Harvard R; Maclean, Edna A; Manalang, Edilberto; Maupin, Amy G; Maupin, Dorcas; McCumber, Marc L & Georgiann; McCumber, Myron & Susan; Mesina, Romeo & Maria R; Mila, Audrey & Tua; Mongoyak, Claudia; Mongoyak, Robin & Eva; Moore, Mari; Nageak, Ben & Violet; Nageak, David C; Nageak, Robert F & Tranquillynna U; Nageak, Roy & Flossie; Native Village of Barrow; Nayakik, Carl & Jacquelyn; Nayakik, Deborah; Neakok, Arlene & Forrest; Neakok, Martha L; Nethercott, Kathy; NOAA/CMDL; NSB Police Department; Nungasak, Don & Nora; Nungasak, Nelda N; Nusunginya, William C; Nye, Usanee; Okpeaha, Bernice; Okpeaha, Eddie M; Okpeaha, Lisa M; Okpeaha, Solomon & Isabel; Okpeaha, Patrick Jr.; Okpik, Aqamak Q; Okpik, Joshua Jr.; Olemaun, George & Pauline H; O'Neill, Nellie; Ortila, Noel & Cherrylyn; Osborn, Dorothy; Oviok, Roberta; Oyagak, Annie & Walter O; Oyagak, Joy; Oyagak, Tiffanie; Panigeo, Lloyd F; Panigeo, Melinda A; Panningona, Ronette; Patkotak, James; Pederson, Molly; Pico, Daira A; Pico, Marilyn; Pico, Vincente Jr.; Pikok, Elsie; Pikok, Lucy Ann; Pili, Jesstinna; Reich, Harriet M; Rexford, Julius B Jr.; Richards, Lonny D & Margaret J; Richards, Lucy; Rock, Susanna E; Roddy, Jeffrey & Qinugan; Rubio, Nora; Saganna, Eleanor R; Sakeagak, Charlene L; Salamat, Lamberto P & Pilar G; San Jose, Leeza T; Sanchez, Jose M & Patricia; Selesele, Ario; Sielak, Roberta R; Silakkuagvik Communications; Simmonds, Jaleen S & Lyons, Jack A; Simmonds, Robert J; Solomon, Herman & Pamela; Solomon, Marjorie & Eli J; Solomon, William; Spear, Arnold & Cynthia; Stackhouse, Ernest G & Marie G; Stackhouse, Lucinda; Stackhouse, Michael & Martha;

Stein, Christian & Dorcas; Stein, Elizabeth; Stein, Lloyd; Stevens, George & Jane E; Stine, Martha; Stine, Susie J; Stoffa, John & Fields, Connie G; Stojic, Vitomir & Heidi; Stuaqpak Inc.; Suvlu, Edith; Suvlu, Stella E & Bernice K; Suvlu, Gilbert; Taalak, Richard & Ethel; Teigland, Sheldon & Lucy; Thomas, Laura & Bryan; Thomas, William; Thompson, Grant B Jr.; TNHA-Fair Market Rent; Toledo, Augustine & Arlene; Tookak, Flossie O; Toovak, Timothy; Toovak, Yvonne A; Tuckfield, Sunshine; Tu'ifua, Sioli & Mulugaveve; Tukle, Clarence; Tula'i, Crystal & Aukusitino; Ungarook, Charles R; Unutoa, Aniseko & Andrea; Unutoa, Joann; Vinas, Delores & Jess P; Vondincklage, Milaneta F & Masteredseed F; Vorderstrasse, James & Edith; Weyiouanna, Michelle & Bradley; Wiehl, Ottawa K; Wilson, John L; Wolgemuth, Tina A.

V. Presentation of Reports

a. President's Report

President Price E. Brower presented the President's Report in its entirety.

b. General Manager's Report

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

c. Secretary/Treasurer's Report

Treasurer Don A. Nungasak presented the Treasurer's Report in its entirety.

VI. Nomination and Election of Directors

Secretary Herman L. Ahsoak reviewed the process of the nomination of directors for the 2020 Annual Meeting. The process was as follows:

Nominations for Directors were conducted by mail and e-mail from September 8, 2020, through October 13, 2020. Members were invited to nominate other members. Each individual making the nomination was verified as a Cooperative member and each nominee on the ballot self-certified that they met the Director Qualifications listed in the Cooperative Bylaws (Article IV, Section 3). A list of nominees was presented to the Board of Directors at the Regular Board Meeting on October 27, 2020. The Board approved 31 nominees to be placed on the ballot.

The only nominations received that were not placed on the ballot were individuals who failed to accept the nomination or did not meet the qualifications listed in the Cooperative Bylaws.

VII. Member Concerns

The Cooperative provided instructions on how to submit Member Comments in the Annual Report mailed to members on October 30, 2020. Comments were accepted via email, regular mail, or hand-delivery to the physical drop box at the central office between October 30, 2020, and December 2, 2020. Staff verified that comments were made by an active cooperative member.

President Price E. Brower read the member concerns which were submitted in advance of the meeting, and read the responses from General Manager Ben Frantz.

1. **Member Fred Kanayurak:** Would like to see a bio sheet or information on each of the director candidates. He also wants the board to consider if a board member should be allowed to participate on multiple boards. He felt board members may not be devoted to their obligations to the Cooperative if they are participating on too many boards.

Response General Manager Ben Frantz: Regarding the first part of the comment, requesting a bio sheet for each director candidate, that is typically the process when a nominee applies to a board. The Cooperative's Bylaws do not require a bio sheet from a nominee for director elections. That is a good suggestion for the Board to consider in future years, but it is not required.

Regarding the second comment, regarding directors serving on multiple boards, the Cooperative's Bylaws do not limit the number of outside obligations a director can have. Many directors serve on multiple boards, both directors serving on the Cooperative's board and directors serving on other boards across the state of Alaska. There is nothing in the articles of incorporation or Bylaws that limits the number of boards on which a director can serve at the same time.

2. **Member George Olemaun:** Previously the easement right of way was the property between resident properties was at 10 feet? The utilidor was built on road easement. The utilidor causes problems with ground heaving and causing broken lines whereas an above ground utilidor would have less issues. Consider the above ground on Cakeeater road residences.

Response General Manager Ben Frantz: We will share with the NSB Mr. Olemaun's comments regarding future design considerations. The NSB is responsible for construction and design of the BUS, such as whether to build a particular section above or below ground. The suggestion is something that the Cooperative cannot address directly as the Cooperative is only responsible for the O&M.

3. **Members Robert and Margie Fischer:** I have a complaint of service related to property adjacent to Jess and Delores Vinas' service barrel. In April, the BUS crew drove on our property to get to the Vinas' service barrel. This is not the first time and [BUS crews] have been using the corner on our property. There is no easement agreement for the Cooperative to drive through the property to service the adjacent property. Please do your due diligence to the property owners to have access to their barrel.

Response General Manager Ben Frantz: Regarding easement concerns, easements are used for utility access routinely and during emergency response. There is a 10' easement right-away from the water/sewer mains located in the road to the service barrel location for the connected home. The easement right-away distance varies depending on where the service barrel is located on the property. The easement right-away has 5' on both sides of the property line giving it a 10' overall easement right-away for allowing operations and maintenance of the service.

I'll add a short PSA to remind all members that it is important to have an awareness of where the easements are and to keep them clear at all times. It is also important to avoid operating vehicles, four wheelers, or snow machines on top of natural gas lines which may be buried in an easement. It is also important to contact the Cooperative before building a home or adding on to a home to make sure the addition is not in a utility easement.

To the specific question, at house #6137: future access will be made from A Street. The BUS operators have been informed, and a memo has been placed on the control room door notifying all BUS operators to stay off adjacent residence property unless they have approval from the homeowner.

VIII. Election Results

Secretary Herman L. Ahsoak reviewed the mail-in voting procedures for director elections and propositions.

The 2020 Annual Meeting process was as follows due to COVID-19 precautions:

1. Mail-in ballots and supplemental voting information was mailed to the membership on Friday, October 30, 2020. The date of record to establish membership list for the mailing was on October 27, 2020.
2. Mail-in voting was open to members from Friday, October 30, 2020, through Monday, November 30, 2020, at 10:00 a.m.
3. Ballots submitted incorrectly, or received after Monday, November 30, 2020, at 10:00 a.m., were not considered; they are invalid per the election committee.

On November 13, 2020, the Cooperative announced a call for volunteer election judges via KBRW, Facebook, the website, and hung flyers around town. Volunteer judges were responsible to perform the ballot counting and certify the election results.

Eligible volunteer judges self-certified that they were: 1) a Cooperative member, 2) not a nominee on the ballot, 3) did not have a close relationship to a nominee on the ballot, and 4) were available at the specified date, time, and place to count ballots in-person.

On November 24, 2020, the Cooperative's Board approved procedures for selecting election judges.

As approved by the Cooperative's Board, and in keeping with guidance from the Cooperative's General Counsel, if sufficient volunteer election judges did not arrive at the specified date, time, and place, Cooperative employees could be called upon to serve as election judges.

The following served as the Cooperative's election judges: Lilly Kanayurak, Jamie Williams, and Justina Akootchook.

On Monday, November 30, 2020, at 1:00 p.m. the election judges met at the Cooperative's Central Office to count ballots. The Cooperative's General Counsel Andrew Leman called in via Zoom to visually observe and advise the election judges. The Cooperative's Board Treasurer Don A. Nungasak and Wendy L. Battle, Executive Assistant, served as witnesses to the ballot counting procedures. The election judges counted the valid ballots and certified the election results.

President Price E. Brower announced the director election results listed below:

1. Price E. Brower	98	17. Marie G. Stackhouse	15
2. Josiah B. Patkotak	75	18. Megan Edwardson	14
3. Frederick F. Brower	80	19. Price D. Leavitt	14
4. Bernadette Fischer	39	20. Shannon Esparza	13
5. Richard Ungarook Sr.	32	21. Deborah Nayakik	13
6. Jim R. Evikana	30	22. Hazel F. Pebley	13
7. Elsie Itta	29	23. Mary Jane Lang	12
8. Martina Hopson	28	24. Mary Alyce Inuuraq Moss	12
9. Max Ahgeak	24	25. Frieda Kaleak	11
10. Doreen Leavitt	22	26. Charles D. Brower	10
11. Heather J. Hopson	20	27. Jeffery S. Maupin	9
12. Corrine Danner	19	28. Solomon Okpeaha	8
13. Ace Edwards	16	29. Billy Kenton	5
14. Frieda Nageak	16	30. Clarissa Elbertai	3
15. Grant "Bradley" Thompson	16	31. William C. Hopson	3
16. Sarah Tua'i	16		

Write in candidates received a total of 24 votes.

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

President Price E. Brower announced the election results of the proposed Bylaw amendments.

1. Proposition No. 1, Article II, Section 1 – Allowing Limited Transfers of Capital Credits. The members have voted 206 to 52 **in favor** of amending Article II, Section 1 – Allowing Limited Transfers of Capital Credits.

The proposition passed.

2. Proposition No. 2, Article IV, Section 4 – Eliminating Nominating Committee and Clarifying Nomination Process. The members have voted 201 to 57 **in favor** of amending Article IV, Section 4 – Eliminating Nominating Committee and Clarifying Nomination Process.

The proposition passed.

3. Proposition No. 3, Article XII, Section 5 – Requiring All Members to Grant Easements. The members have voted 205 to 52 **in favor** of amending Article XII, Section 5 –Requiring All Members to Grant Easements.

The proposition passed.

President Price E. Brower thanked the members for adapting to the new mail-in voting process. He also thanked the members who voted, the election judges, and those who serve on the BUECI Board of Directors.

General Manager Ben Frantz took a final moment to thank each of the sponsors who donated door prizes for the 2020 Annual Membership Meeting. The donors included: North Slope Borough, Arctic Spark Electric, Arctic Chiropractic Barrow, Native Village of Barrow, Barrow Subway, Stuaqpak, Northern Air Cargo, Arctic Slope Telephone Association Cooperative, Kemppel, Huffman, & Ellis, Alaska Power Association, Northwest Public Power Association, Vector Engineering, GV Jones & Associates, Alaska Industrial Hardware, National Information Solutions Cooperative, General Pacific, and 4imprint.

IX. Adjournment of Annual Meeting

President Price E. Brower thanked KBRW for allowing us to broadcast our membership meeting and thanked those who tuned in to listen.

Meeting adjourned at 7:38 p.m.

Date Approved: [DATE].

Attest:

Herman Ahsoak, Secretary

Price E. Brower, President